



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 982 706 645
Organisasjonsform: Aksjeselskap
Foretaksnavn: GRIEG SHIPOWNING AS
Forretningsadresse: C Sundtsgate 17/19
5007 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Kari T. Tepstad
Dato for fastsettelse av årsregnskapet: 23.03.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 05.05.2023



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	6	117 000	150 000
Sum kostnader		117 000	150 000
Driftsresultat		-117 000	-150 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3	9 598 000	8 070 000
Annen renteinntekt		209 000	2 000
Annen finansinntekt		29 234 000	240 000
Verdiøkning andre finansielle instrumenter vurdert til virkelig verdi	8		2 000
Sum finansinntekter		39 041 000	8 314 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	8	107 000	
Rentekostnad til foretak i samme konsern	3	1 418 000	1 805 000
Annen rentekostnad		10 902 000	7 964 000
Annen finanskostnad		67 000	135 000
Sum finanskostnader		12 494 000	9 904 000
Netto finans		26 547 000	-1 590 000
Ordinært resultat før skattekostnad		26 430 000	-1 740 000
Skattekostnad på ordinært resultat	9	321 000	-421 000
Ordinært resultat etter skattekostnad		26 109 000	-1 319 000
Årsresultat		26 109 000	-1 319 000
Overføringer og disponeringer			
Ordinært utbytte		21 307 000	
Overføringer til/fra annen egenkapital		4 802 000	-1 319 000
Sum overføringer og disponeringer		26 109 000	-1 319 000



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9	7 000	807 000
Sum immaterielle eiendeler		7 000	807 000
Finansielle anleggsmidler			
Investering i datterselskap	11	252 353 000	217 353 000
Lån til foretak i samme konsern	3	109 940 000	224 762 000
Investeringer i aksjer og andeler			123 000
Sum finansielle anleggsmidler		362 293 000	442 238 000
Sum anleggsmidler		362 300 000	443 045 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		2 000	
Konsernfordringer	3	31 933 000	1 691 000
Sum fordringer		31 935 000	1 691 000
Investeringer			
Andre finansielle instrumenter	8	722 000	829 000
Sum investeringer		722 000	829 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		61 943 000	19 530 000
Sum bankinnskudd, kontanter og lignende		61 943 000	19 530 000
Sum omløpsmidler		94 600 000	22 050 000
SUM EIENDELER		456 900 000	465 095 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Selskapskapital	12	11 615 000	11 606 000
Annen innskutt egenkapital		239 584 000	236 738 000
Sum innskutt egenkapital		251 199 000	248 344 000
Opptjent egenkapital			
Annen egenkapital	12	-30 908 000	-36 426 000
Sum opptjent egenkapital		-30 908 000	-36 426 000
Sum egenkapital		220 291 000	211 918 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	153 737 000	237 213 000
Sum annen langsiktig gjeld		153 737 000	237 213 000
Sum langsiktig gjeld		153 737 000	237 213 000
Kortsiktig gjeld			
Leverandørgjeld		3 000	
Utbytte		21 307 000	
Kortsiktig konserngjeld	3	60 767 000	15 105 000
Annen kortsiktig gjeld		794 000	860 000
Sum kortsiktig gjeld		82 871 000	15 965 000
Sum gjeld		236 608 000	253 178 000
SUM EGENKAPITAL OG GJELD		456 899 000	465 096 000



Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	279 059 000	159 186 000
Annen driftsinntekt	2,4	922 000	157 000
Sum inntekter		279 981 000	159 343 000
Kostnader			
Driftskostnad skip	7,9	79 942 000	75 513 000
Bareboay-og TC hyre	5	16 759 000	17 665 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	7	31 567 000	31 143 000
Annen driftskostnad	6	6 756 000	4 142 000
Sum kostnader		135 024 000	128 463 000
Driftsresultat		144 957 000	30 880 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3		567 000
Annen renteinntekt		1 364 000	2 000
Annen finansinntekt		419 000	1 860 000
Sum finansinntekter		1 783 000	2 429 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	8	2 062 000	325 000
Rentekostnad til foretak i samme konsern	3	787 000	782 000
Annen rentekostnad		16 320 000	17 004 000
Annen finanskostnad		49 000	31 000
Sum finanskostnader		19 218 000	18 142 000
Netto finans		-17 435 000	-15 713 000
Ordinært resultat før skattekostnad		127 522 000	15 167 000
Skattekostnad på ordinært resultat	9	5 369 000	-424 000
Ordinært resultat etter skattekostnad		122 153 000	15 591 000
Årsresultat		122 153 000	15 591 000



Konsernets balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9		728 000
Sum immaterielle eiendeler			728 000
Varige driftsmidler			
Skip, rigger, fly og lignende	7	514 493 000	514 493 000
prosjekter		1 390 000	1 173 000
Sum varige driftsmidler		515 883 000	515 666 000
Finansielle anleggsmidler			
Investeringer i aksjer og andeler			123 000
Andre fordringer		2 558 000	2 827 000
Sum finansielle anleggsmidler		2 558 000	2 950 000
Sum anleggsmidler		518 441 000	519 344 000
Omløpsmidler			
Varer			
Varer		3 856 000	3 388 000
Sum varer		3 856 000	3 388 000
Fordringer			
Andre fordringer		6 523 000	6 320 000
Konsernfordringer	3	31 695 000	867 000
Sum fordringer		38 218 000	7 187 000
Investeringer			
Andre finansielle instrumenter	8	22 997 000	25 052 000
Sum investeringer		22 997 000	25 052 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		61 986 000	19 543 000
Sum bankinnskudd, kontanter og lignende		61 986 000	19 543 000



Konsernets balanse

Beløp i: USD	Note	2022	2021
Sum omløpsmidler		127 057 000	55 170 000
SUM EIENDELER		645 498 000	574 514 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	12	11 615 000	11 606 000
Annen innskutt egenkapital		239 584 000	236 738 000
Sum innskutt egenkapital		251 199 000	248 344 000
Opptjent egenkapital			
Annen egenkapital		99 369 000	-18 629 000
Minoritetsinteresser			215 000
Sum opptjent egenkapital		99 369 000	-18 414 000
Sum egenkapital	12	350 568 000	229 930 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9	889 000	
Sum avsetninger for forpliktelser		889 000	
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	177 759 000	263 703 000
Langsiktig konserngjeld	3	18 638 000	18 638 000
Øvrig langsiktig gjeld	14	50 397 000	54 031 000
Sum annen langsiktig gjeld		246 794 000	336 372 000
Sum langsiktig gjeld		247 683 000	336 372 000
Kortsiktig gjeld			
Leverandørgjeld		2 632 000	1 143 000
Betalbar skatt	9	299 000	389 000
Utbytte		21 307 000	
Kortsiktig konserngjeld	3	19 543 000	3 129 000
Annen kortsiktig gjeld		3 467 000	3 552 000



Konsernets balanse

Beløp i: USD	Note	2022	2021
Sum kortsiktig gjeld		47 248 000	8 213 000
Sum gjeld		294 931 000	344 585 000
SUM EGENKAPITAL OG GJELD		645 499 000	574 515 000



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 02.07.2012	Vår dato 15.08.2012
Telefon 22078139	Deres referanse Atle Nordby	Vår referanse 2012/490448

GRIEG SHIPPING GROUP AS
Postboks 781
5807 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 3. juli 2012 samt telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Grieg Star Group AS	org. nr. 991 258 965
Grieg Star Shipping AS	org. nr. 920 958 524
Grieg Star Bulk AS	org. nr. 997 580 087
Grieg Star AS	org. nr. 932 350 467
Grieg Green AS	org. nr. 995 509 601
Grieg Shipowning AS	org. nr. 982 706 645
Grieg Shipping II AS	org. nr. 822 195 482
Grieg International II AS	org. nr. 882 706 672

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Bakgrunn

Grieg Star Group AS er morselskap i et underkonsern. Konsernspissen er Grieg Maturitas AS som igjen er eiet av flere aksjeselskaper. Grieg Star Group har også flere datterselskaper og avdelinger i utlandet. Grieg Star Group driver sin virksomhet innenfor internasjonal industriell shipping. Gruppen har 25 egne skip, men benytter i tillegg innleid tonnasje slik at det i snitt er cirka 40 skip som er i aktivitet. Det vesentlige av virksomheten foregår i utlandet. Majoriteten av de ansatte er også utenlandske. Shipping er en internasjonal bransje og skipene opererer rundt i hele verden og har internasjonale motparter for de ulike reiser som utføres. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Det interne arbeidsspråket i selskapene er også engelsk og all intern rapportering skjer på dette språket. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal ”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

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For elektronisk henvendelse se www.skatteetaten.no		



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at eierkretsen er begrenset og hovedaksjonærene er aksjeselskaper. Selskapene inngår i et underkonsern. Konsernets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



To the General Meeting of Grieg Shipowning AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Grieg Shipowning AS, which comprise:

- the financial statements of the parent company Grieg Shipowning AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Grieg Shipowning AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the

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Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Bergen, 23 March 2023
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Haugervåg, Jon	BANKID	2023-03-23 15:06

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DIRECTORS' REPORT 2022

GRIEG SHIPOWNING AS - CONSOLIDATED

We are very pleased to deliver an extraordinarily strong result which to a large extent can be credited to a strong shipping market for Open Hatch ships. We consider the Grieg Shipowning to be in a good position, both financially and strategically - well equipped to keep developing its business activities in the coming year.

The Business

Grieg Shipowning AS (the "Company") is a ship owning holding company in the consolidated group of shipping activities controlled by Grieg Shipholding Group AS ("Grieg Shipholding" or "the Group"). Grieg Shipowning AS owns all the shares in the Open Hatch ship owning companies Grieg Shipping II AS, Grieg Shipping III AS and Grieg International II AS. Through these three subsidiaries, the Company controlled 31 Open Hatch vessels at year end 2022, including vessels on bareboat and long-term time charter. Grieg Star Bulk AS, previously active in owning and chartering in conventional dry bulk vessels was transferred to Grieg Shipowning AS in second half 2022 which included the net gain from dry bulk vessel sales during first half of 2022.

The Company has its office in Bergen and has no employees. Its Board of Directors consists of seven members, four women and three men. The Company has during 2022 purchased a range of services from Grieg Maritime Group (the shareholder of Grieg Shipholding) within strategy, administration, IT accounting, finance, legal and business development. Another group company, Grieg Star AS, is responsible for the ship management of the majority of the subsidiaries' fleet. The services are regulated under management agreements.

The subsidiaries' vessels are marketed and operated by the Grieg Shipholding and Gearbulk jointly controlled company G2 Ocean, the world's largest Open Hatch shipping company, which was put into operation in 2017. The G2 Ocean Open Hatch pool consists of more than 125 vessels operating in a worldwide trading pattern built around long-term cargo contracts with pulp and paper producers as well as transport of steel and project cargoes. The operation's success criteria are the ability to establish optimal sailing patterns, combining various types of cargoes coupled with efficient port operations.

Annual Accounts

Consolidated result, balance sheet and cash flow

Grieg Shipowning revenues consist primarily of freight income, which is accounted for as time charter hire. Total consolidated operating revenues increased to of USD 279.1m in 2022 (USD 159.3m). Most of the explanatory factors for the strong earnings can be found in general supply and demand imbalances, related to such as pent-up demand after covid-19 and logistic inefficiencies, amplified by the effects of China's zero-tolerance covid policy and the war in Ukraine. While the number of Open Hatch pool vessels remained the same throughout the year in the G2 Ocean pool, its total activity level increased through usage of chartered-in vessels. This contributed not only to higher revenues to Grieg as pool partner, but also to more efficient trading patterns, reducing number of ballast days and emission per cargo unit carried.



Total operating costs before depreciation increased to USD 103.5m in 2022 (USD 97.3m). The vessel operating expenses increased to USD 79.9m (USD 75.5m) as the operations was far from immune to the global price rises. Crew travel costs were for instance much higher than normal as it was not possible to carry out crew changes in Asia due to covid restrictions. In addition, a few vessels needed unforeseen technical repairs when being brought under Grieg technical management. On the positive note was improved safety performance and efficiency at dry dockings, which more than one third of the fleet went through during 2022. Time charter and bareboat charter costs decreased to USD 16.8m (USD 17.7m) due to the purchase of the Semi-Open Hatch vessel Kai Xuan (renamed Star Toscana) that had previously been chartered in on bareboat. With this, consolidated EBITDA increased to USD 176.5m (USD 61.0m).

Depreciation costs increased to USD 31.6m (USD 31.1m) with the main reason being the effect of the mentioned purchase of Star Toscana. There were no impairments or reversal of impairment in the 2022 accounts, resulting in that Grieg Shipowning consolidated operating profit increased to USD 145.0m in 2022 (USD 30.9m).

Net financial items were minus USD 17.4m in 2022 (USD - 15.7m). The negative development is mainly a result of lower foreign exchange gains, while the Group's interest expenses decreased to USD 16.3m (USD 17.0m) as the effect of loans being repaid more than offset the increase in the Libor rate. Altogether, the Group ended up with a consolidated pre-tax result of 127.5m (USD 15.2m) and an after-tax result of USD 122.1m (USD 15.6m).

Long-term interest-bearing debt including financial leases is USD 228.2m (USD 317.7m) as of year-end 2022. With a strengthened liquidity position, one of the fleet loan agreements was amended into a revolving credit facility, which as of year-end 2022 is undrawn. Otherwise, financing terms and conditions were maintained or improved for all loan agreements, all with first-class banks and leasing partners. Several of the loan facilities are up for refinancing in 2023 and 2024, and we aim to continue to utilize our solid financial position and a favorable lending market to further improve our capital structure and terms. Book equity was USD 350.7m at year end (USD 229.9m) and total assets USD 645.5m (USD 574.5m) implying an equity ratio of 54% (40%). Current assets accounted for USD 127.1m (USD 55.2m), while liquidity on the balance sheet date in the form of bank deposits and cash including market-based investments was USD 91.5m.

Based on net cash flows from operations of USD 170.6m (USD 50.3m), cash flow from investments of minus USD 38.2m (USD - 13.1m) and net cash flow of minus USD 60.5m (USD - 43.1m) from financing activities, Grieg Shipowning's consolidated net change in liquid funds in 2022 was USD 71.9m (USD - 5.9m).

Company result, and balance sheet

The Company itself had no operating revenues in 2022 and neither in 2021, given the nature of its business. Operating expenses were USD 0.1m in 2022 (USD 0.2m).

Grieg Shipowning AS has over the last years to a large extent taken over the role as the external financial lender of the Group's Open Hatch activities. The loans are however guaranteed by the respective Open Hatch ship owning companies. Based on net financial items of USD 26.5m in 2022 (USD - 1.6m) mainly attributed to USD 29.1m in dividend and group contributions, the Company's ended up with a loss before tax of USD 26.4m (USD - 1.7m) and an after tax result of USD 26.1m (USD - 1.3m).



Company long-term interest-bearing debt at year end 2022 was USD 153.7.m (USD 237.2mm). Book equity was USD 220.3m at year end (USD 211.9m), implying an equity ratio of 48% (46%), while total assets were USD 456.9m (USD 465.1m), with current assets accounting for USD 94.6m (USD 22.0m).

External Environment

While seaborne transportation constitutes about 90% of world trade, emissions of Greenhouse Gases (GHG) from ships represent almost 3% of global emissions, something our industry is committed to reduce. In addition to the requirements of the International Maritime Organization (IMO), Grieg Maritime Group, which the Company is part of, have adopted the Norwegian Shipowner Association's target to reduce GHG emissions per transported unit by minimum 50% by 2030 from 2008 levels and become net zero by 2050. These targets can however not be achieved without a value chain supporting low and zero emission fuels with competitive terms, well ahead of 2030.

Over the course of 2022 we have consistently worked towards understanding the risks, opportunities, and barriers for adopting zero emission fuels. Among specific actions is the Group's Deep-Sea Ammonia Pilot study performed together with multiple partners, supported by the Norwegian Green Shipping Program. A test utilizing two different blends of biofuel was also performed on a cross Atlantic voyage with positive results. A digital support tool has been developed enabling charterers and operators to project Carbon Intensity Indicator (CII) implications of future operations and support fleet CII control. We also reached our ambitious goal of having at least 90% of all plastic waste from internally managed vessels delivered to shore facilities that have responsible waste handling and recycling capacity.

The IMO CII framework has received significant criticism for amongst other not incentivizing maximum transport work per emission unit, and not having concrete sanctions in place for non-compliance. We share many of the concerns raised and support efforts to adjust the framework such that incentives and sanctions are better aligned on reducing the carbon footprint of the transport work performed by the maritime industry. Despite the mentioned challenges we can however not sit back, and therefore need to be proactive. Evaluation of emission reducing initiatives and measures to upgrade our existing fleet or as part of future newbuild programs has therefore high priority.

As the Grieg Shipowning's vessels are being dry docked, ballast water treatment plants are being installed. This project will be completed for all ships by the end of 2023, while all vessels in the fleet have obtained their IHM.

Sustainability

For several years, Grieg Maritime Group has worked with the UN Sustainable Development Goals (SDGs). The Group's objectives and strategy is specifically linked to a few selected SDGs. These have accompanying KPIs at business unit level and is the foundation for our daily operations, development initiatives and investments. To report on progress we follow the ESG reporting recommendations from the Norwegian Ship Owners Association, and report with reference to the Integrated Reporting Framework and the Global Reporting Initiative (GRI).

In 2022, there has been strong focus on ensuring that we are reporting our emissions in line with the GHG Protocol. Thus, it has been a priority to establish the organizational boundaries in terms of reporting as well as mapping the indirect emissions from our value chain (scope 3 emissions). Further, considerable efforts have been put into implementing the Norwegian Transparency Act that came into force mid-2022, mapping the biggest risks as well as drafting procedures and guidelines for mitigating the risks and preventing possible contributions to human rights violations.



Governments are putting efforts on standardizing the way companies shall report, and a proof of that is the EU Corporate Sustainability Reporting Directive (CSRD) that came into effect in January 2023. With this, the path is set, and we are taking actions, preparing for the upcoming European Sustainability Reporting Standards (ESRS) which the Group must report on from 2025. It will be a priority to make sure that we not only comply with this but is ahead. Therefore, 2022 concluded with a set of projects that will be developed in the upcoming years, that will prepare the Group for these new standards as well as meet the increasing expectation from stakeholders.

Enterprise Risk & Compliance

Grieg Shipowning is both directly and indirectly exposed to financial and market risks. Changing equity prices and interest rates affect the Company's and its subsidiaries financial investments and loans. Most of these risks are strongly correlated to macro-economic development. The financial portfolios are managed under a long-term strategy reflecting Grieg Maritime Group's business principles and risk capacity to ensure that the portfolio can withstand market fluctuations. There are policies in place to reduce interest rate risk related to the fleet's funding.

The Company's subsidiaries are in addition exposed to the development in freight rates, ship values and currency. The fleets' earnings are, however, to a large extent linked to long term cargo contracts as the shipping activities are of an industrial character. This implies that revenues are less volatile than in the spot market and that changing market conditions generally have a delayed effect on the results. The currency risk is mainly related to the purchase of administrative services in Norway, local taxes, as well as some purchases related to the technical management of the fleet and investments in NOK denominated funds. The Group has defined strategies and policies that reduce the currency risks.

For operational risk, Covid-19 has been among our risks also during 2022 as this has hampered both crew changes and vessel operations, including dry dockings. Environmental spills and violations are risks always prevailing for shipping operations. Drills are carried out regularly to ensure that the team is prepared for handling various incidents, and whenever an incident occurs an Emergency Preparedness Team convenes.

Areas that have been subject to particular focus in 2022 are amongst others human rights - as part of implementing the Norwegian Transparency Act, sanction risks and third-party screening, and not least cyber security training and response, where Russia's war in Ukraine imposed several implications and increased company risks. Insurance is taken out for the members of the Board and the General Manager for their personal liability for property damage that they may incur in connection with the performance of their duties. The insurance is taken out with an international insurance company with a solid rating.

The strong 2022 financial result and reduced debt level is on the other hand supportive of a reduced financial risk level for Grieg Shipowning AS.

The Market and Outlook

The positive market sentiment from 2021 continued into the first part of 2022 as covid-19 reliefs fueled a sense of economic recovery, coupled with high levels of market inefficiencies. However, as the year progressed, geopolitical and macroeconomic events created uncertainties. The war in Ukraine, fears of uncontrolled inflation with higher interest rates, unwinding market inefficiencies with lower congestion and China's zero-covid strategy were all part of the factors creating a downward pressure on the market as 2022 progressed. Total dry bulk demand in 2022 is estimated to have contracted by 2.5%, with ton-mile demand contracting by 2%. Shipments of wood pulp, the



single most important commodity for our Open Hatch activities rose 8% in 2022, with EU and Chinese imports really picking up in the final months of the year.

For 2023, global GDP growth is forecasted at 2.7% by the International Monetary Fund, with emerging markets and developing economies forecast to grow by 3.7%. China, specifically, which is a very important market for dry bulk including wood pulp, is forecasted to grow by 4.4%. Thus, much of the optimism for a bounce in the global economy and dry bulk market relies on China forcefully coming back after moving away from its zero-covid policy. Sub-capesize seaborne demand growth is estimated at 1.9% and ton-mile growth at 2.1%. For Grieg Maritime Group's core trades in the G2 Ocean pool; forest product seaborne trade is expected to increase by around 5% year-on-year, and demand for wood chips and wood pulp, specifically, is expected to continue to grow at a steady pace. Also, with a historically low dry bulk orderbook, the scene is set for an improvement in the overall supply-demand balance going forward. Still, there is downside risk as slower economic growth and higher interest rates create continued economic uncertainty. And a weakened container market may have unforeseen implications on our business. While we should gain from operating in an industrialized segment, with G2 Ocean controlling a significant share of forward cargo contracts at favorable market levels, we do not foresee a repeat of 2022 but expect more normalized earnings as we move forward.

Going Concern

The Board of Directors confirms that the annual accounts have been prepared based on the going concern assumption and that this assumption is valid. The consideration is based on the Group's financial position and expectations of future earnings. The Board believes that the submitted annual accounts give a correct picture of the results, cash flows and economic situation. No material events that affect the financial position have taken place after the balance sheet date.

Today's world is hampered by many uncertainties such as the ongoing war in Ukraine, geopolitical storms, food, and energy shortage and not least our common environmental challenges. To which extent this may affect Grieg Shipholding's business operations and values is uncertain.

The extraordinary financial result achieved in 2022 is essential for the Group going forward. With this upcycle after a decade of low returns, we have ability to reinvest and take part in the green transition which the maritime industry is facing.

Our industry is an important contributor to Norwegian value creation. Our preferred strategy is to do this in Norway. In that regard, we are expecting that our industry will continue to have the stable and predictable framework conditions. They are essential for our continued value contribution to society.

Finally, the Board would like to thank all the employees' delivery the various services to the Grieg Shipowing group for their great efforts. The value of the business is dependent on the world class performance by its people.



Bergen, 23 March 2023
The Board of Directors of Grieg Shipowning AS

Elisabeth Grieg
Board Member

Camilla Grieg
Chair

Didrik O. Munch
Board Member

Kai Grøtterud
Board Member

Nada Ahmed
Board Member

Rune Birkeland
Board Member

Ragnhild Janbu Fresvik
Board Member

Matthew Robert Cagienard Duke
CEO



GRIEG SHIPOWNING AS figures in usd 1 000}		INCOME STATEMENT		GRIEG SHIPOWNING CONSOLIDATED (figures in usd 1 000)	
2022	2021	Note	Revenues	2022	2021
		2	Operating revenue	279,059	159,186
		2	Gain from sale of vessels		157
		2.4	Other income	922	
<u>0</u>	<u>0</u>		Total revenues	<u>279,981</u>	<u>159,344</u>
			Operating expenses		
		7.9	Vessel operating expenses	79,942	75,513
117	150	6	Other operating expenses	6,756	4,142
		5	Bareboat- and T/C hire	16,759	17,665
		7	Depreciation	31,567	31,143
			Impairment loss of fixed assets	0	0
<u>117</u>	<u>150</u>		Total operating expenses	<u>135,024</u>	<u>128,464</u>
-117	-150		Operating profit	144,956	30,880
			Financial items		
209	2		Interest income	1,364	2
9,598	8,070	3	Interest income group	0	567
29,233	240		Other financial income	137	58
-10,902	-7,964		Interest expenses	-16,320	-17,004
-1,418	-1,805	3	Interest expenses group	-787	-782
	0		Writedown of shares in sub.	0	0
-107	2	8	Change in value of financial investments	-2,062	-325
1	0	8	Realized return on marked-based fin. Investm.	7	325
			Other financial expenses	-49	-31
-67	-134		Gain/loss on foreign exchange	275	1,477
<u>26,547</u>	<u>-1,590</u>		Total financial items	<u>-17,435</u>	<u>-15,713</u>
26,430	-1,740		Profit before tax	127,522	15,167
-321	421	9	Taxes	-5,369	424
26,109	-1,319		Profit for the year	122,152	15,591

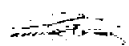



GRIEG SHIPOWNING AS (figures in usd 1 000)			BALANCE SHEET	GRIEG SHIPOWNING CONSOLIDATED (figures in usd 1 000)	
2022	2021	Note		2022	2021
			Intangible fixed assets		
7	807	9	Deferred tax assets	0	728
<u>7</u>	<u>807</u>		Total intangible fixed assets	<u>0</u>	<u>728</u>
			Tangible assets		
		7	Vessels	514,493	514,493
		7	Project in progress	1,390	1,173
<u>0</u>	<u>0</u>		Total fixed tangible assets	<u>515,883</u>	<u>515,666</u>
7	807		Total fixed assets	515,883	516,394
			Financial assets		
252,353	217,353	11	Investments in subsidiaries	0	0
109,940	224,762	3	Loan to group companies	0	0
			Long term receivables	2,558	2,827
			Investment in shares	0	123
<u>362,293</u>	<u>442,238</u>		Total financial assets	<u>2,558</u>	<u>2,950</u>
			Current assets		
31,933	1,691	3	Receivables from group companies	31,695	867
			Inventory	3,856	3,388
2	0		Other receivables	6,523	6,320
722	829	8	Market based investments	22,997	25,052
<u>61,943</u>	<u>19,530</u>		Bank deposits, cash in hand, etc	<u>61,986</u>	<u>19,543</u>
94,600	22,050		Total current assets	<u>127,057</u>	<u>55,170</u>
456,899	465,095		TOTAL ASSETS	645,498	574,513

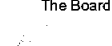


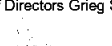
GRIEG SHIPOWNING AS (figures in usd 1 000)			BALANCE SHEET		GRIEG SHIPOWNING CONSOLIDATED (figures in usd 1 000)	
2022	2021	Note		2022	2021	
Equity and liabilities						
Paid-in capital						
11,615	11,606	12.1	Share capital	11,615	11,606	
239,584	236,738		Other paid-in equity	239,584	236,738	
251,199	248,343		Total restricted equity	251,199	248,343	
Retained earnings						
-30,908	-36,426		Other equity	99,369	-18,629	
-30,908	-36,426		Minority interest		215	
			Total retained equity	99,369	-18,414	
220,291	211,917	12	Total equity	350,568	229,929	
Liabilities						
Provisions						
		9	Deferred tax	889		
0	0		Total provisions	889	0	
Long-term debt						
153,737	237,213	14	Liabilities to financial institutions	177,759	263,703	
		14	Other long-term debt	50,397	54,031	
		3	Long-term liabilities to group companies	18,638	18,638	
153,737	237,213		Total long-term liabilities	246,794	336,371	
Current liabilities						
60,767	15,105	3	Liabilities to group companies	19,543	3,129	
3			Accounts payable	2,632	1,143	
21,307			Dividend	21,307	0	
		9	Tax payable	299	389	
794	860		Other short-term liabilities	3,467	3,552	
82,871	15,965		Total current liabilities	47,247	8,213	
236,609	253,178		Total liabilities	294,930	344,584	
456,899	465,095		TOTAL EQUITY AND LIABILITIES	645,498	574,513	

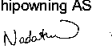
Bergen, 23th of March 2023
The Board of Directors Grieg Shipowning AS



Camilla Grieg
Chair

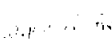

Elisabeth Grieg
Board Member



Didirik O. Munch
Board Member


Rune Birkeland
Board Member


Nada Ahmed
Board Member


Kai Grøtterud
Board Member


Ragnhild Janbu Fresvik
Board Member


Matthew R. C. Duke
CEO



GRIEG SHIPOWNING AS (figures in usd 1000)		GRIEG SHIPOWNING CONSOLIDATED (figures in usd 1000)	
2022	2021	2022	2021
Cash flow from operations			
26 430	-1 740	127 522	15 349
-	-	-389	-276
-	-	39 138	38 257
-133	-	-129	-325
-	-	-	-157
107	-2	2 082	325
-	-	-467	-1 081
-29 587	349	2 033	163
-2	7	-203	-215
3	-932	1 491	19
-66	-405	-432	(1 767)
-3 248	-2 723	170 625	50 291
Cash flow from investments			
-370	-	-	-
-	-	-	1 429
-	-	-38 446	-3 511
256	0	256	0
-1	-1	-7	-17 771
-	0	-	6 427
-	341	-	341
-114	341	-38 198	-13 086
Cash flow from financing			
129 251	-42 331	-	-15 219
-83 475	38 812	-89 677	-27 891
-	-	29 176	-
45 776	-3 519	-60 501	-43 111
42 413	-5 901	71 926	-5 906
19 530	25 431	19 543	25 448
61 943	19 530	91 469	19 543
Cash and cash equivalents at the end of the period consists of:			
61 943	19 530	61 986	19 543
-	-	29 483	-
61 943	19 530	91 469	19 543



Grieg Shipping consolidated
Notes to the financial statements 2022

Note 1 Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

Subsidiaries

Subsidiaries are posted in the company accounts applying the cost method. The investment is stated at historical cost of the shares unless a write-down has been necessary. The investment is written down to fair value when the reduced value is due to causes which are not deemed to be temporary. Write-downs are reversed when the grounds for the write-down no longer exist.

Dividends and other distributions are recognised in the year in which they are provided for in the accounts of the subsidiary. If the dividend exceeds the profit after the acquisition, the surplus amount represents repayment of the capital investment and the distributions are deducted from the amount of the investment in the balance sheet.

Investment in joint ventures and associated companies

Investments in associated companies are stated according to the cost method in the company accounts and according to the equity method in the group accounts. Investments in 50/50% joint ventures are stated according to the gross method.

Operating revenues

Operating revenues are entered as income at the time of delivery. The time of delivery is understood to mean the time of transfer of risk and control related to the delivery.

Classification and valuation of balance sheet items

Current assets and current liabilities relate to items which mature within one year from the date of purchase. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at the lower of historical cost and fair value. Current liabilities are carried at nominal value at the date of issue. Fixed assets are valued at historical cost, but are written down to recoverable amount in the event of impairment which is not deemed to be temporary.

Long-term liabilities are carried at the nominal amount at the establishment date.

Intangible assets

The cost of intangible assets is posted in the balance sheet if it is considered likely that the future economic benefits related to the assets will accrue to the company and a reliable measurement of the historical cost of the asset in question has been established.

Asset impairments

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The Group's open hatch vessels are sailing in a pool, which are market and operated by G2 Ocean AS.

Having the vessels sailing in a pool means that the operational use of the vessels, including optimization of routes, is combined for the fleet. Earnings of each individual vessel is therefore affected by the earnings of other vessels in the pool. The open hatch fleet is therefore considered to be the respective cash-earnings of other vessels in the pool.

Fixed assets

Fixed assets are valued at historical cost less accumulated depreciation. Depreciation is charged on a straight line basis over the remaining expected useful life of each asset adjusted for the residual value. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period.

Improvements are capitalised and depreciated in pace with the asset involved. Docking costs are capitalised and depreciated over the period to the next scheduled dry-docking. Depreciation of the docking is classified as an operating expense.

The recoverable amount of an asset is measured whenever there is an indication that an asset may be impaired, written-down and the asset is stated at the lower of the recoverable amount and the cost price less any write-down. The write-down is reversed when the grounds for the write-down no longer exist.

Stocks of inventories

The inventories of lub oil, paint and provision are valued at the lower of cost and fair value.

Receivables

Trade debtors and other debtors are carried at nominal value after deducting provisions for expected losses. Loss provisions are based on an assessment of individual receivables.

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Grieg Shipping consolidated
Notes to the financial statements 2022

Short-term investments

Short-term investments in shares and mutual funds are regarded as part of the financial trading portfolio and are stated at fair value at year-end. Dividends received and other distributions are entered as income under other financial income.

Foreign currency

Consolidated accounts are reported in USD. Financial statements denominated in other currency than USD are recalculated against USD at the average exchange rates and the balance sheet at the exchange rate at year end. Monetary items denominated in foreign currency are valued at the year-end exchange rate against USD. Exchange rate per 31.12.2022 is NOK/USD: 9.8573. Currency gain or loss from operation and monetary items in foreign currencies are posted at the exchange rate of the relevant date of balance. Transactions in foreign currencies are restated at the foreign transaction rate.

Foreign exchange hedging

Derivatives purchased in order to reduce currency risk are treated as hedging transactions for accounting purposes. Gains and losses on foreign exchange contracts are therefore recognised in the same period as the hedged transactions occur.

Unrealised gain/loss on the hedging contracts is not posted on the balance sheet.

Interest rate hedging

Interest rate hedging contracts are recognised and classified in the same way as the related mortgage loan. The interest received/paid under the contract is therefore recognised in the interest period in question and is included in interest expenses for the period.

Unrealised gain/loss on the hedging contracts is not posted on the balance sheet.

Freight risk hedging

Forward Freight Agreements (FFA) are recognised and classified in the same way as the related operating income. The freight received/paid under the contract is therefore recognised in the same period as the hedged transactions occur.

Unrealised gain/loss on the FFA contracts is not posted on the balance sheet.

Leases

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

Taxes

The tax charge in the profit and loss account includes taxes payable for the period and changes in deferred tax. Deferred tax is calculated at 22% (with effect from January 1st 2019) based on the temporary differences that exist between accounting and tax values, and taking account of the tax loss carried forward at the end of the financial year. Tax enhancing and tax reducing temporary differences which are reversed or can be reversed in the same period have been set off. The net deferred tax advantage is posted in the balance sheet where it is expected that this can be utilized. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and losses carried forward, is based on estimates of future of earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Grieg Shipping III AS, Grieg Shipping II AS and Grieg International II AS are shipowning companies which are taxed under the Norwegian tonnage tax system pursuant to chapter 8 of the Taxation Act. The European Surveillance Authority announced in December 2017 that it has approved the Norwegian tonnage tax regime for a new 10 year period from January 1st 2018, with some adjustments.

Estimates

When preparing the annual accounts in accordance with good accounting practice, the management make estimates and assumptions which affect the profit and loss account and the valuation of assets and liabilities, as well as information about contingent assets and liabilities at year-end.

Contingent losses which are likely and quantifiable are charged against income on an ongoing basis.

Cash flow statement

Cash flow statements are prepared according to the indirect method. Accordingly, the cash flows from investment and financing activities are reported gross, while the accounting result is reconciled against the net cash flow from operations. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments that can immediately and with no major exchange rate risk be converted into a known amount and maturing less than three months from the transaction date.

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Grieg Shipowning consolidated
Notes to the financial statements 2022

Group account cash pool agreement

The group account cash pool agreement with Grieg Shipholding AS as a Group Account Holder, divided into two pool agreements. Grieg Shipholding AS is the Group Account Holder for one of the agreements, and Grieg Shipowning AS for the other agreement.

In Grieg Shipowning AS' cash pool, Grieg Shipping II, Grieg International II AS, Grieg Shipping III AS and Grieg Star OH Pool AS are included

Under these agreements, all participating companies are jointly liable for the overdraft facility and other participant's overdraft. Net aggregated cash balance on the group account is recognised as cash balance in the balance sheet statement for Grieg Shipowning AS, as a Group Account Holder. Participating companies' share of aggregated cash balance is recognised as intercompany balances in each participating company's balance sheet.

Consolidation

The consolidated accounts include the subsidiaries specified below and show the parent company and subsidiaries as a single enterprise. Shares in subsidiaries are eliminated using the purchase method. Shares in subsidiaries are set off in an amount corresponding to the book value of equity attributable to the shares at the date of purchase. Any difference arising on elimination is assigned to specific assets. Excess values that cannot be assigned to specific assets are posted as goodwill and amortised over the expected lifetime of the asset. Intra-group transactions and balances are eliminated. Conversion of subsidiaries with a currency other than USD is for items in the balance sheet recalculated at the exchange rate at year end. Profit and loss is recalculated at the average exchange rate in 2022. Substantial items, if any are recalculated to the exchange rate on the day the transaction is accomplished. Conversion differences related to exchange rates are posted against the equity.

Grieg Shipowning is a group which comprises the following companies:

	REGISTERD OFFICE	OWNERSHIP
Grieg Shipping II AS - shipowning company, tonnage taxed	Bergen	100%
Grieg International II AS - shipowning company, tonnage taxed	Oslo	100%
Grieg Shipping III AS - shipowning company, tonnage taxed	Bergen	100%
Grieg Star Bulk AS	Bergen	100%

Note 2 Proforma

In December 2022, the shares of Grieg Star Bulk AS, was transferred from Grieg Shipholding AS to Grieg Shipowning AS.

Proforma accounts are prepared to illustrate how income statements had been affected if the transfer of shares in Grieg Star Bulk AS had taken place 01.01.21. Corresponding figures are prepared to illustrate how income statements had been affected if the transfer of shares in Grieg Star Bulk A had taken place 01.01.2021.

	2022	2022 proforma	2021	2021 proforma
Operating revenue	279,059	291,618	159,186	183,746
Gain from sale of vessels			157	157
Other income	922	17,131		2,593
Total revenues	279,981	308,749	159,343	186,497



Grieg Shipping consolidated
Notes to the financial statements 2022

Note 3 Related parties			
PARENT COMPANY			
Figures in USD 1 000			
Other receivables		2022	2021
Grieg Green AS			867
Grieg Star AS		486	
Grieg Shipholding AS		1692	
Grieg Star Bulk AS		9100	
Grieg Shipping II AS		655	812
Grieg International II AS		20,000	13
Total		31,933	1,691
Long term receivables group companies		2022	2021
Grieg Shipping II AS		109,940	190,151
Grieg International II AS		0	34,611
Total		109,940	224,762
Other current liabilities		2022	2021
Grieg Shipholding AS			
Grieg Shipping II AS		25,040	12,165
Grieg Shipping III AS		5,589	1,592
Grieg International II AS		29,971	1,332
Grieg Star AS		116	0
Grieg Star OH Pool AS		49	15
Grieg Investor AS		0	0
Total		60,767	15,105
Transactions with related parties			
Company	Type of services	2022	2021
Revenue			
Grieg Shipping II AS	Interest income	8,078	6,074
Grieg International II AS	Interest income	1,463	1,365
Grieg Shipping III AS	Interest income	57	63
GriegMaas Ultramax AS	Interest income	0	567
Expenses			
Grieg Shipholding AS	Management fee	0	23
Grieg Maritime Group AS	Management fee	86	69
Grieg Shipping II AS	Interest expense	1,187	1,334
Grieg International II AS	Interest expense	231	413
Grieg Shipholding AS	Interest expense	0	58

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Grieg Shipowning consolidated
Notes to the financial statements 2022

GROUP

Figures in USD 1 000

	2022	2021
Other short-term receivables		
Grieg Shipholding AS	31,175	0
Grieg Star Bulk Pool AS	32	0
Grieg Star AS	486	
Grieg Maturitas AS	2	
Grieg Green AS		867
Total	31,695	867
Other short-term liabilities	2022	2021
Grieg Shipholding AS		550
Grieg Maritime Group AS	7117	489
Grieg Star AS	1658	782
Grieg Star OH Pool AS	2092	1294
Grieg Star 2017 AS	1747	
Grieg Edge AS	1826	
Grieg Shipbrokers Val.		2
Grieg Maturitas II AS	5072	0
Grieg Green AS	16	0
Grieg Investor AS	13	10
Total	19,543	3,129
Long term liabilities	2022	2021
Grieg Shipholding AS	18,638	18,638
Total	18,638	18,638

Note 4 Other income

The bareboat vessel Star Louisiana was refinanced in 2022 with a profit of USD 0.9m.

The time charter contracts related to the vessels Star Nike, Star Maru and Star Gaia was sold in 2022 with a total profit of USD 16.2m. Commission fee of USD 0.16m is included in the profit calculation.

Note 5 Operating lease agreements

GROUP

The Group has the following long-term operating lease agreements related to chartering of vessels:

	Number of vessels	Average duration	Operating lease expense recognised in the year
Bare-boat hire	5	8.1 years	USD 13.3 m
Long-term time charter vessels	1	1.0 year	USD 9.2 m



Griegg Shipowning consolidated
Notes to the financial statements 2022

Note 6 Payroll expenses, auditor's fee etc.

PARENT COMPANY

Figures in USD 1 000

Payroll expenses, number of employees, remuneration etc.

The company has no employees, no remuneration was paid to the CEO or the Board, and no loans or guarantees have been given to the CEO, Board Chair or other associates.

Auditor's fee	2022	2021
Statutory audit	6	6
Tax advisory fee (incl. technical assistance)		
Tax advisory fee (incl. technical ass. with tax return)	1	8
Other non-audit services		
Total fee to auditor excl. v.a.t.	8	14

GROUP

Figures in USD 1 000

Auditor's fee

Group auditor	2022	2021
Statutory audit	53	47
Tax advisory fee (incl. technical assistance)	2	3
Tax advisory fee (incl. technical ass. with tax return)	1	8
Total fee to Group auditor excl. v.a.t.	56	58

Note 7 Fixed Assets

GROUP

Figures in USD 1 000

	Vessels	New buildings	Docking	Total
Purchase cost at 01.01	1,097,698		45,501	1,143,199
Additions	22,727		16,628	39,355
Disposal			12,294	12,294
Purchase cost at 31.12.	1,120,425		49,835	1,170,260
Accumulated depreciation at 31.12	550,923		25,904	576,827
Impairment loss	77,550			77,550
Book value at 31.12.	491,952		23,932	515,883

Depreciation	31,567		7,571	
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Depreciation plan Straight line Straight line

Expected useful life 30 years 5 years

At 31.12.22 the Group has no new building contracts.

Based on an impairment testing per year-end 2020, the open hatch fleet was written down with USD 77.6m.

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Grieg Shipowning consolidated
Notes to the financial statements 2022

Note 8 Market-based investments

GROUP

Figures in USD 1 000

	Acquisition cost	Market value	Acquisition cost	value
	2022	2022	2021	2021
Mutual funds	3,782	3,034	3,782	3,866
Bonds	8,854	8,284	8,847	9,705
Money market funds	11,413	11,679	11,413	11,482
Book value at 31.12	24,048	22,997	24,042	25,052

	2022		
	Realised	Unrealised	profit/loss
Mutual funds		-830	-830
Bonds	7	-1,428	-1,421
Money market funds	0	197	197
Profit/loss from market-based investments	7	-2,062	-2,054

	2021		
	Realised	Unrealised	profit/loss
Mutual funds		84	84
Bonds	76	-151	-76
Money market funds	250	-257	-7
Profit/loss from market-based investments	325	-325	0

Note 9 Taxes

PARENT COMPANY

Figures in USD 1 000

Tax charge and tax payable in the accounts

Temporary differences	2022	2021
Receivables foreign currency		4,163
Tax losses carried forward	-29	-7,830
Basis for deferred tax/(deferred tax assets)	-29	-3,668

Deferred tax/deferred tax assets	-6	-807
Deferred tax/(deferred tax assets) in the balance sheet	-6	-807

Basis for taxation, change in deferred tax and tax payable

Profit before tax	2,235	-1,921
Permanent differences	-297	8
Basis of tax charge for the year	1,937	-1,913
Change in temporary differences	4,163	1,148
Currency effects	-477	
Change tax losses carried forward	-7,801	765
Basis for payable taxes in the income statement	-2,178	0
+/- Group contribution received/given	2,178	
Taxable income (basis for tax payable in the balance sheet)	0	0

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Grieg Shipping consolidated
Notes to the financial statements 2022

Tax expense consists of

Tax payable (22% of basis for tax payable in the profit and loss account)		
Currency effects	-479	
Change in deferred tax	800	-421
Tax charge / (tax income)	321	-421

Tax payable in the balance sheet

Tax payable (22% of basis for taxes payable in the profit and loss account)	
Under/over provision for tax payable	
Tax payable in the balance sheet	

GROUP

Figures in USD 1 000

	2022	2021
Tax expense consists of:		
Tax payable on taxable income	4,231	20
Currency effects	-479	
Change in deferred tax	1,617	-444
Tax expense (income)	5,369	-424

Tonnage tax (classified as an operating expense in the income statement):	285	370
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Deferred tax:

Other temporary differences	1,008	4,495
Financial instruments and other short-term investments	-273	76
Profit/loss account	4,341	360
Tax loss carry forwards	-40,140	-49,930
Basis for deferred tax/(deferred tax assets)	-35,064	-45,000
Deferred tax/(deferred tax assets)	-7,713	-9,900
Deferred tax assets not recognised in the balance sheet	8,602	9,111
Deferred tax/(deferred tax assets) recognised in the balance sheet	889	-728

Tax loss carry forward subject to ordinary income tax 31.12.2022 is 29 TUSD

Tax payable consists of:

Taxable financial income for companies under Chapter 8 of Taxation Act	64	90
Profit before tax subject to ordinary income tax	(16,039)	(1,921)
Permanent differences	25,373	8
Changes in differences included in the basis for deferred tax/deferred tax assets	1,327	1,148
Group contribution		-
Changes in deficit and remuneration brought forward	(10,663)	765
Basis of tax charge for the year	63	91
Current tax payable of net income	14	20
Adjustment with respect of prior years		
Tonnage tax	285	370
Tax prepaid		
Effect of Group contribution	-	-
Tax payable in the accounts	299	390

Grieg Star Bulk AS left the tonnage tax regime in 2019. Unrealized currency losses that were not tax-deductible in 2018 given the restrictions under the tonnage tax regime, was claimed to be tax deductible in 2019 when the company became subject to ordinary taxation. The tax authorities has not notified that the deduction of unrealized currency losses will be reversed by NOK 69 875 810 which will reduce tax losses carry forward. The company has reduced the tax losses carry forward with NOK 69 875 810 in 2022. Change in tax loss carried forward is therefore reduced with NOK 69 875 810. The company has challenged the tax authorities' position. A final conclusion from the tax authorities is expected to be received during 2023.

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Grieg Shipping consolidated
Notes to the financial statements 2022

Note 10 Financial market risk

The Group uses various financial derivatives to manage its financial market risk. This includes forward contracts, interest rate swaps and forward rate agreements.

Interest rate risk

The Group's long term debt and some of its lease agreements are at floating interest rate terms, exposing the company to interest rate risk in both short and long term. The Group's strategy is to hedge parts of its interest rate exposure by utilizing interest rate swap agreements. Gains and losses arising from interest rate swaps are recognised in the same period as the related interest expense.

At 31.12.22 the Group held interest swap agreements of USD 165.6m. Total unrealised MTM value, not recognised in the balance sheet, was USD 10.7m.

Foreign exchange risk

The company hedges expenditures in currencies other than USD forward contracts. At 31.12.22 the company had entered into hedging agreements through the use of currency swaps for USD 3.8m. Total unrealised MTM value, not recognised in the balance sheet at 31.12.22, was USD 0.4m.

Freight risk

Forward Freight Agreements (FFA) are from time to time used as a risk management instrument in order to smooth out freight volatility. The FFA contracts are settled as an adjustment of operating income. At 31.12.22, the company had not entered into any Forward Freight Agreements (FFA).

Note 11 Subsidiaries

PARENT COMPANY

Figures in USD 1 000

Subsidiary	Denominated in	Registered office	Ownership/voting rights	Equity 2022 (100%)	Result 2022 (100%)
Grieg Shipping II AS	USD	Bergen	100%	257,157	96,876
Grieg International II AS	USD	Oslo	100%	107,916	28,207
Grieg Shipping III AS	USD	Bergen	100%	12,267	5,116
Grieg Star Bulk AS	USD	Bergen	100%	5,292	18,776
Book value at 31.12.					

Note 12 Equity

PARENT COMPANY

Figures in USD 1 000

Changes in equity	Share capital	Share premium	Other equity	Minority	Total
Equity at 01.01	11,606	236,738	-36,426		211,917
Capital increase December 2022	9	2,847			2,856
Profit for the year			26,109		26,109
Dividend			-21,307		-21,307
Group contribution			716		716
Equity at 31.12	11,615	239,585	-30,908		220,291

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Notes to the financial statements 2022

GROUP

Figures in USD 1 000

Changes in equity	Share capital	Share premium	Other equity	Minority	Total
Equity at 01.01	11,606	236,738	-18,629	215	229,929
Profit for the year			122,152		122,152
Dividend			-21,307		-21,307
Increase capital	9	2,847	26,320		29,176
Group contribution rec.			1,699		1,699
Group contribution			-9,763		-9,763
Correction of group contr. prev. years			-983		-983
Disposal of minority interest			-155	-215	-370
Other changes			35		35
Equity at 31.12	11,615	239,585	99,369	0	350,568

Note 13 Share capital and shareholder information

PARENT COMPANY

The share capital consists of	Number of shares	Book value in	
		Nominal value	USD 1000
A shares	909,454	0.01	11,615
B shares	0		
Total	909,454		11,615

Shareholders at 31.12	Number of shares	Ownership
Grieg Shipholding AS	909,454	100%

Note 14 Interest-bearing debt

PARENT COMPANY

Figures in USD 1 000

Mortgage loans

At 31.12.22 the company has 5 mortgage loans. The loans are denominated in USD.

Loan covenants

Covenants common to all mortgage loans is that the Group must continue to be controlled by the Grieg family, Grieg Shipowning on a consolidated basis must maintain a minimum of USD M25 / 5% of total interest bearing debt in liquidity. Grieg Shipowning AS is providing guarantees in the amount of USD 17.7m per 31.12.2022 for the Grieg International II AS vessel and USD 7.6 for the Grieg Shipping III AS vessel.

Grieg Shipping II AS and Grieg International II AS is providing guarantees in the amount of USD 221.2 m for Grieg Shipowning AS. The companies have been in compliance with the covenants throughout the year.

	2022	2021
Mortgage loans (1st priority)	153,737	237,213
Total	153,737	237,213
Of which long-term debt with maturity later than 5 years	2022	2021
Debt to credit institutions	0	0
Total	0	0
Balance value of mortgaged assets	2022	2021
Vessels	276,607	403,713
New building contracts (booked as receivables)	0	0
Total	276,607	403,713

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Grieg Shipowning consolidated
Notes to the financial statements 2022

GROUP

Figures in USD 1 000

Mortgage loans

At 31.12.22 the Group has 7 mortgage loans. The loans are denominated in USD.

Loan covenants

Covenants common to all mortgage loans is that the Group must continue to be controlled by the Grieg family, Grieg Shipowning on a consolidated basis must maintain a minimum of USD M25 / 5% of total interest bearing debt in liquidity. Grieg Shipowning AS is providing guarantees in the amount of USD 17.7m per 31.12.2022 for the Grieg International II AS vessel and USD 7.6 for the Grieg Shipping III AS vessel. Grieg Shipping II AS and Grieg International II AS is providing guarantees in the amount of USD 221.2m for Grieg Shipowning AS. The companies have been in compliance with the covenants throughout the year.

	2022	2021
Mortgage loans (1st priority)	177,759	263,703
Total	177,759	263,703
Of which long-term debt with maturity later than 5 years	2022	2021
Debt to credit institutions	0	0
Total	0	0
Balance value of mortgaged assets	2022	2021
Vessels	320,813	449,090
New building contracts (booked as receivables)	0	0
Total	320,813	449,090
Other long term debt	2022	2021
Financial leasing	50,397	54,031
Total other long term debt	50,397	54,031