



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 991 258 965  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: GRIEG SHIPHOLDING AS  
Forretningsadresse: C. Sundts gate 17  
5004 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, 29.05.2024



### Resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Annen driftsinntekt	3	3 320 000	3 378 000
<b>Sum inntekter</b>		<b>3 320 000</b>	<b>3 378 000</b>
<b>Kostnader</b>			
Lønnskostnad	5,6	131 000	863 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8	5 000	13 000
Annen driftskostnad	7	3 632 000	3 660 000
<b>Sum kostnader</b>		<b>3 768 000</b>	<b>4 536 000</b>
<b>Driftsresultat</b>		<b>-448 000</b>	<b>-1 158 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	2	1 257 000	959 000
Annen renteinntekt		586 000	166 000
Annen finansinntekt	18	36 901 000	33 840 000
<b>Sum finansinntekter</b>		<b>38 744 000</b>	<b>34 965 000</b>
Nedskrivning av finansielle eiendeler		40 000	15 876 000
Rentekostnad til foretak i samme konsern	2	592 000	427 000
Annen finanskostnad			320 000
<b>Sum finanskostnader</b>		<b>632 000</b>	<b>16 623 000</b>
<b>Netto finans</b>		<b>38 112 000</b>	<b>18 342 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>37 664 000</b>	<b>17 184 000</b>
Skattekostnad på ordinært resultat		1 566 000	45 000
<b>Ordinært resultat etter skattekostnad</b>		<b>36 098 000</b>	<b>17 139 000</b>
<b>Årsresultat</b>		<b>36 098 000</b>	<b>17 139 000</b>
<b>Overføringer og disponeringer</b>			
Ordinært utbytte		60 323 000	22 677 000
Overføringer til/fra annen egenkapital		-24 225 000	-5 538 000
<b>Sum overføringer og disponeringer</b>		<b>36 098 000</b>	<b>17 139 000</b>



## Resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
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## Balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	12	974 000	974 000
<b>Sum immaterielle eiendeler</b>		<b>974 000</b>	<b>974 000</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger og annen fast eiendom	8	518 000	518 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	8	8 000	13 000
<b>Sum varige driftsmidler</b>		<b>526 000</b>	<b>531 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	14	218 614 000	217 294 000
Lån til foretak i samme konsern	2	41 794 000	26 180 000
Investeringer i tilknyttet selskap	2	2 100 000	3 150 000
Investeringer i aksjer og andeler	15	9 841 000	9 941 000
Andre fordringer	16	469 000	524 000
<b>Sum finansielle anleggsmidler</b>		<b>272 818 000</b>	<b>257 089 000</b>
<b>Sum anleggsmidler</b>		<b>274 318 000</b>	<b>258 594 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer		204 000	68 000
Konsernfordringer	2	26 036 000	11 009 000
<b>Sum fordringer</b>		<b>26 240 000</b>	<b>11 077 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		46 599 000	44 220 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>46 599 000</b>	<b>44 220 000</b>
<b>Sum omløpsmidler</b>		<b>72 839 000</b>	<b>55 297 000</b>
<b>SUM EIENDELER</b>		<b>347 157 000</b>	<b>313 891 000</b>



## Balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
100 000 aksjer a NOK 100	18,19	15 899 000	15 899 000
Annen innskutt egenkapital	18	259 988 000	259 988 000
<b>Sum innskutt egenkapital</b>		<b>275 887 000</b>	<b>275 887 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	18	-37 591 000	-14 349 000
<b>Sum opptjent egenkapital</b>		<b>-37 591 000</b>	<b>-14 349 000</b>
<b>Sum egenkapital</b>		<b>238 296 000</b>	<b>261 538 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	6	573 000	675 000
Utsatt skatt	12	1 194 000	
<b>Sum avsetninger for forpliktelser</b>		<b>1 767 000</b>	<b>675 000</b>
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	2	14 484 000	15 430 000
Øvrig langsiktig gjeld	20	328 000	523 000
<b>Sum annen langsiktig gjeld</b>		<b>14 812 000</b>	<b>15 953 000</b>
<b>Sum langsiktig gjeld</b>		<b>16 579 000</b>	<b>16 628 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		23 000	34 000
Skyldige offentlige avgifter		53 000	21 000
Utbytte	18	60 323 000	22 677 000
Kortsiktig konserngjeld	2	31 883 000	12 926 000
Annen kortsiktig gjeld			65 000
<b>Sum kortsiktig gjeld</b>		<b>92 282 000</b>	<b>35 723 000</b>
<b>Sum gjeld</b>		<b>108 861 000</b>	<b>52 351 000</b>



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>347 157 000</b>	<b>313 889 000</b>



## Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	292 512 000	198 656 000
Annen driftsinntekt	3	24 254 000	13 352 000
<b>Sum inntekter</b>		<b>316 766 000</b>	<b>212 008 000</b>
<b>Kostnader</b>			
Driftskostnad skip	8	74 517 000	76 525 000
Lønnskostnad	5,6	5 545 000	5 771 000
TC og BB hyre	4	22 489 000	34 148 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8	31 674 000	33 126 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler			-4 163 000
Annen driftskostnad	7	7 783 000	5 539 000
<b>Sum kostnader</b>		<b>142 008 000</b>	<b>150 946 000</b>
<b>Driftsresultat</b>		<b>174 758 000</b>	<b>61 062 000</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på andre investeringer	11	981 000	-114 000
Renteinntekt fra foretak i samme konsern	2	462 000	447 000
Annen renteinntekt		2 402 000	170 000
Annen finansinntekt		156 000	2 068 000
<b>Sum finansinntekter</b>		<b>4 001 000</b>	<b>2 571 000</b>
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	9	2 062 000	325 000
Annen rentekostnad		16 421 000	17 826 000
Annen finanskostnad		820 000	39 000
<b>Sum finanskostnader</b>		<b>19 303 000</b>	<b>18 190 000</b>
<b>Netto finans</b>		<b>-15 302 000</b>	<b>-15 619 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>159 456 000</b>	<b>45 443 000</b>
Skattekostnad på ordinært resultat	12	6 348 000	-44 000
<b>Ordinært resultat etter skattekostnad</b>		<b>153 108 000</b>	<b>45 487 000</b>



## Konsernets resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Årsresultat		153 108 000	45 487 000



## Konsernets balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	12		2 575 000
<b>Sum immaterielle eiendeler</b>			<b>2 575 000</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger og annen fast eiendom	8	518 000	518 000
Skip, rigger, fly og lignende	8	515 883 000	532 948 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	8	8 000	13 000
<b>Sum varige driftsmidler</b>		<b>516 409 000</b>	<b>533 479 000</b>
<b>Finansielle anleggsmidler</b>			
Lån til foretak i samme konsern	2	22 979 000	7 429 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	2	2 100 000	3 150 000
Investeringer i aksjer og andeler	15	5 949 000	5 154 000
Andre fordringer	16	3 163 000	3 504 000
<b>Sum finansielle anleggsmidler</b>		<b>34 191 000</b>	<b>19 237 000</b>
<b>Sum anleggsmidler</b>		<b>550 600 000</b>	<b>555 291 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		3 856 000	3 388 000
<b>Sum varer</b>		<b>3 856 000</b>	<b>3 388 000</b>
<b>Fordringer</b>			
Andre fordringer		6 771 000	7 552 000
Konsernfordringer	2	3 774 000	3 967 000
<b>Sum fordringer</b>		<b>10 545 000</b>	<b>11 519 000</b>
<b>Investeringer</b>			
Andre finansielle instrumenter	9	22 997 000	25 052 000
<b>Sum investeringer</b>		<b>22 997 000</b>	<b>25 052 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			



### Konsernets balanse

Beløp i: USD	Note	2022	2021
Bankinnskudd, kontanter og lignende		109 123 000	67 143 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>109 123 000</b>	<b>67 143 000</b>
<b>Sum omløpsmidler</b>		<b>146 521 000</b>	<b>107 102 000</b>
<b>SUM EIENDELER</b>		<b>697 121 000</b>	<b>662 393 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
100 000 aksjer a NOK 100	18,19	15 899 000	15 899 000
Annen innskutt egenkapital	18	259 988 000	259 988 000
<b>Sum innskutt egenkapital</b>		<b>275 887 000</b>	<b>275 887 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	18	103 025 000	20 050 000
<b>Sum opptjent egenkapital</b>		<b>103 025 000</b>	<b>20 050 000</b>
<b>Sum egenkapital</b>		<b>378 912 000</b>	<b>295 937 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	6	3 210 000	3 977 000
Utsatt skatt	12	898 000	
<b>Sum avsetninger for forpliktelser</b>		<b>4 108 000</b>	<b>3 977 000</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	20	177 759 000	274 410 000
Øvrig langsiktig gjeld	20	50 960 000	54 718 000
<b>Sum annen langsiktig gjeld</b>		<b>228 719 000</b>	<b>329 128 000</b>
<b>Sum langsiktig gjeld</b>		<b>232 827 000</b>	<b>333 105 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		2 659 000	1 240 000
Betalbar skatt	12	299 000	461 000
Skyldige offentlige avgifter		1 156 000	693 000



## Konsernets balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Utbytte	18	60 323 000	22 677 000
Kortsiktig konserngjeld	2	14 050 000	615 000
Annen kortsiktig gjeld		6 894 000	7 663 000
<b>Sum kortsiktig gjeld</b>		<b>85 381 000</b>	<b>33 349 000</b>
<b>Sum gjeld</b>		<b>318 208 000</b>	<b>366 454 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>697 120 000</b>	<b>662 391 000</b>



## DIRECTORS' REPORT 2021

### GRIEG SHIPHOLDING AS – CONSOLIDATED

**We are very pleased to deliver a very strong result for 2022, which to a large extent can be credited to a strong shipping market for open hatch ships. Also highly value creating was the capturing of the best bulk market upcycle in 10 years, which resulted in the sale of the our dry bulk activities. We consider the Grieg Shipholding to be in a good position, both financially and strategically - well equipped to keep developing its business activities in the coming year.**

#### OUR BUSINESS

With its group of companies, Grieg Shipholding builds on more than 135 years of marine experience as part of the Grieg Group conglomerate. Through Grieg Shipowning and Grieg Star, the Company develops world-class ship owning and ship management operations. All of the Group's vessels trade in G2 Ocean, the world largest open hatch shipping company. We are long-term in our business approach, with strong focus on sustainability, organizational development and operational excellence, all key for developing new and existing business - on our own and together with partners. The Group has offices in the Philippines and Oslo, with headquarters in Bergen.

Area of operation - owner and manager of specialised open hatch vessels

At year-end 2022, Grieg Shipowning controlled a fleet of 31 (31) open hatch vessels having an average age of 15 (14) years. As specialised ships, the vessels are equipped with gantry or swing cranes and box-shaped holds, constructed to offer a versatile transportation concept delivering superior cargo care through advanced handling and loading operations. The ships are traded by G2 Ocean, which we control jointly with Gearbulk. Operating more than 30 trades lanes and having thousands of port-calls in more than 60 countries each year, the G2 Ocean open hatch pool delivers efficient, innovative, and high-quality services to customers worldwide. The commodities transported, mainly under Contracts of Affreightments, are wood pulp and other forest products, aluminum, steels, granite, and industrial minerals as well as project and non-unitised cargos like wind turbines. Grieg Star is the internal ship management organisation, which takes care of the daily operation of the vessels but is also a driving force in developing the fleet to changing requirements. Highly skilled and experienced employees ensure not only safe and reliable operations but are essential for the ongoing transition to decarbonize our existing and future fleet. The Group purchases a range of services from Grieg Maritime Group (the shareholder of Grieg Shipholding) within strategy, administration, IT accounting, finance, legal and business development.

#### OUR FINANCIAL RESULT

Earnings, operating costs, and finance result

Grieg Shipholding's revenues consist primarily of freight income, which is accounted for as time charter hire. Other income is mainly gains from sale of fixed assets, which was an important contributor to the 2022 result, as the Group realized its investments in owned and chartered dry



bulk vessels. This, together with strong vessel earnings, resulted in total operating revenues of USD 316.8m (USD 212.0m). 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.

Total operating costs before depreciations decreased to USD 110.3m in 2022 (USD 122.9m). This was mainly due to the sale of the dry bulk vessels that started out in 2021. The vessels' operating expenses decreased to USD 74.5m (USD 76.5m). Measured per vessel operating day, there was however a significant increase 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. Time charter and bareboat charter costs decreased to USD 22.5m in 2022 (USD 34.1m), mainly because of the sale of long-term dry bulk agreements, but also due to the purchase of the semi-open hatch vessel Kai Xuan (renamed Star Toscana) that had previously been chartered in on bareboat. Payroll and administration costs increased in 2022 to USD 13.3m (USD 11.3m), given a higher activity level in the Group. With improved revenues and lower operating expenses, Group EBITDA more than doubled, to USD 206.4m (USD 90.0m).

Group depreciation costs decreased to USD 31.7m in 2022 (USD 33.1m). The main reason for this is the effect of the previously mentioned bulker sales, which more than off-set the depreciation effect of purchasing Star Toscana. There were no impairments or reversal of impairment in the 2022 accounts, resulting in a consolidated operating profit of USD 174.8m (USD 61.0m).

Net financial items were minus USD 15.3m in 2022 (USD -15.6m). This is slightly less than in 2021 as loan interest expenses decreased to USD 16.4m (USD 17.8m) as loans were repaid, which offset the increased Libor rate, plus a net positive financial income on excess liquidity of USD 0.8m (USD 0.6m) and investments in associated companies of USD 1.0m (USD -0.1m). All in all, this results in a consolidated pretax profit of USD 159.5m (USD 45.4m).

## Balance sheet, financial situation, and cash flow

Based on net cash flows from operations of USD 179.6m (USD 62.8m), cash flow from investments of USD 1.3m (USD 26.3m) and a net cash flow of minus USD 139.0m (USD - 51.4m) from financing activities, net change in liquid funds in 2022 was USD 42.0m (USD 37.7m).

Long-term interest-bearing debt including financial leases is USD 228.7m (USD 329.1m) as of year-end 2022, which is after ordinary debt repayments and sale of two bulk vessels. And with the strengthened liquidity position, one of the fleet loan agreements was amended into a revolving credit facility, which as of year-end 2022 is undrawn. Group book equity was USD 378.9m at year end (USD 295.9m). By the end of 2022, Grieg Shipholding consolidated had total assets of USD 697.2m (USD 662.4m) implying an equity ratio of 54% (45%). Current assets accounted for USD 146.5m, where liquid funds constituted USD 132.1m.<sup>1</sup>

<sup>1</sup> Grieg Shipholding AS' company accounts for 2021 shows a result after tax of USD 36.1m in 2022 (USD 17.2m). Total assets year end 2022 is USD 347.2m (USD 313.9m). Its 69% equity ratio (83%) reflects that the Company's main assets are shares in subsidiaries.



## OUR PEOPLE

### Developing our employees

Our success is dependent on developing, retaining, and attracting the best talent. In 2022, we spent considerable time to strengthen the foundation for further organisational growth. To structure and support the development of the employees and the organisation, we developed a framework called Empowered People. It represents the employees' lifecycle in Grieg Maritime Group, describing the steps we take to attract and recruit the best people, develop our employees professionally and personally, and retain essential resources. Simply put; a strategic roadmap to foster and grow our organisation and its culture. The framework categorises the employees into three groups, depending on where they are in their careers. Each of these phases has specific targets, which we will focus on in the next few years. With a commitment to this lifecycle, we are confident that Grieg Maritime Group offers a workplace where employees are empowered.

A new HRM system was also put in place during 2022 to ensure improved onboarding and offboarding processes, and digital employment agreements. The group-wide training on Sustainable Co-workship was completed in the first quarter of 2022, and we plan to continue with Sustainable Co-workship training in 2023, as part of strengthening our organisational culture. To provide what employees look for, and in the end successfully deliver on our strategy, we need more than just hard skills, such as technical and digital competence. We must ensure that power skills, such as empathy and vulnerability, are part of who we are. In the latter part of 2022, we conducted leadership seminars for all leaders across our business units, where we focused on building power skills, especially related to psychological safety, diversity, communication, and authenticity. Common goals throughout the Group's business areas are based on the belief that digitalization and new innovative processes with data driven decisions will improve performance. 2022 has been a significant year in harvesting the value of our cloud computing journey and build out of our skills and abilities in data analytics. We will continue to focus on this into 2023.

### Our workforce, health, working environment and safety

The total number of employees in Grieg Shipholding, all involved in vessel operations, was 653 employees by year-end 2022. This is an increase compared to 2021 (630) as several vessels were insourced on internal ship management. 597 (576) of the employees were working at sea, and 56 (54) were shore-based of which 25 (27) in the office in Manila and 31 (27) in Norway. The Group had one temporary position in 2022, but whom has been employed by the Group from the start of 2023, and one part time employee.

The Board considers conditions related to the working environment and health to be good. The workforce is stable, and the absence rates and the numbers of injuries are low. In 2022, the registered sick leave for the global onshore organisation was 0.8% (1.2%). Sick leave for the Norwegian based employees increased from 0.3% to 0.8% thus still being at a low level while it decreased from 2.1% to 0.8% in the office abroad. Besides medical follow-ups, the Group encourages and facilitates participation in physical activities for its personnel to stay fit.

Records show no (0) injuries onshore in 2022. The number of serious human injuries onboard vessels continues to stay at a low level. There were only three occasions where someone from the crew had to be repatriated due to the severity of injuries suffered. We are constantly working to reduce this number to the only number we can accept for anyone working for the company, which is zero. A



concern in 2022 has been the increase in the number of stevedore injuries attending the loading and discharging of our vessel operations. Considerable efforts are made to improve this situation.

The covid pandemic continued to have significant impact on many aspects of the shipping operations also in 2022. Thanks to relentless effort by the crew, the Maritime HR operations, risk based covid procedures and robust management, it enabled us to run the operations, including conducting 13 dry dockings in China, without any significant implications.

## Equal opportunities

We do not accept discrimination in any form. The business operations are to be conducted based on principles of equality and respect. As part of our work on this in 2022, we improved existing policies and developed new ones to address amongst others employee equity, diversity, and inclusion. To ensure that we maintain a gender equity-based approach, Grieg Maritime Group report on progress to the SHE Index and has also signed the Women in International Shipping and Trading Associations' (Wista) pledge "40 by 30", where we commit to strive towards 40% females in leading positions within 2030.

At year-end 2022, the land-based workforce in Grieg Shipholding reflected a gender distribution of 48% women and 52% men, which is unchanged from end 2021. There are 31% (25%) women in leading management positions, and 20% females hold technical positions. The Board of Director composition is 43% (50%) men and 57% (50%) women. The ship management unit, trains female cadets for officer positions on the vessels. In 2022, 19 (14) of the 597 (576) seafarers were women, of which 1 (1) was holding a senior management position and 11 junior management position. In addition 8 (3) of 30 (20) on the cadet program are female. There were none on maternity leave in the Norwegian entities in 2022.

## OUR IMPACT ON THE 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.

Over the course of 2022 we have consistently worked towards understanding the risks, opportunities, and barriers for adopting zero emission fuels. 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. 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.

As the Group'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.



## OUR SUSTAINABILITY PROGRESS

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.

## OUR RISKS

Risk management is vital to protect people, the environment and the business' assets and managing risk is therefore essential for value creation and an integrated part of the governing model. Grieg Shipholding's key risks relate to operational activities, market and financial risk, compliance and regulatory framework, as well as climate, security and cyber risks. Strategies, policy development, guidelines, and risk-mitigating measures, play vital roles in managing and reducing these risks.

For operational risk, Covid-19 has been among our key 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.

The financial and market risks are mainly risks related to development in freight rates, ship values, currencies, and interest rates. Most of these risks are strongly correlated to macro-economic development. The open hatch fleet's earnings are, to a large extent linked to long term cargo contracts. This implies that revenues are less volatile than in the spot market and that changing market conditions have a delayed effect on the results. Changing equity prices and interest rates affect financial investments and loans. The financial portfolio is 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 to reduce currency exposure and interest rate risk related to the fleet's funding arrangements.

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 Shipholding 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 for their great efforts. The value of the business is dependent on the world class performance by our people.

Bergen, 23 March 2023

The Board of Directors of  
Grieg Shipholding AS

Rune Birkeland  
Board Member

Camilla Grieg  
Chair

Didrik O. Munch  
Board Member

Kai Grøtterud  
Board Member

Elisabeth Grieg  
Board Member

Nada Ahmed  
Board Member

Ragnhild Janbu Fresvik  
Board Member

Matthew Robert  
Cagienard Duke  
CEO



GRIEG SHIPHOLDING AS			GRIEG SHIPHOLDING GROUP CONSOLIDATED		
(figures in usd 1000)			INCOME STATEMENT		
2022	2021	Note	2022	2021	(figures in usd 1000)
			<b>Revenues</b>		
		2	Operating revenue	292,512	198,656
3,320	3,378	3	Other income	24,254	13,352
<u>3,320</u>	<u>3,378</u>		<b>Total revenues</b>	<b>316,766</b>	<b>212,008</b>
			<b>Operating expenses</b>		
		8	Vessel operating expenses	74,517	76,525
		4	TC and BB-hire	22,489	34,148
131	863	5.6	Payroll and social security expenses	5,545	5,771
3,632	3,660	7	Other operating expenses	7,783	5,539
5	13	8	Depreciation	31,674	33,126
			Write-downs		-4,163
<u>3,768</u>	<u>4,536</u>		<b>Total operating expenses</b>	<b>142,007</b>	<b>150,946</b>
<u>-448</u>	<u>-1,158</u>		<b>Operating profit</b>	<b>174,759</b>	<b>61,062</b>
			<b>Financial items</b>		
586	166		Interest income	2,402	170
1,257	959	2	Interest income group	462	447
			Other financial income	149	537
-592	-427	2	Interest expenses	-16,421	-17,826
36,768	33,840	18	Interest expenses group		
-40	-15,876		Dividend from subsidiaries		
			Writedown shares in subsidiaries		
			Other financial expenses	-52	-39
133	-320	11	Result on investment in associated company	981	-114
<u>38,112</u>	<u>18,342</u>	9	Change in value of financial investments	-2,062	-325
		9	Realized return on market-based fin. Investm.	7	325
			Gain/loss on foreign exchange	-768	1,206
<u>37,663</u>	<u>17,184</u>		<b>Net financial items</b>	<b>-15,301</b>	<b>-15,618</b>
<u>-1,566</u>	<u>-45</u>		<b>Profit before tax</b>	<b>159,458</b>	<b>45,444</b>
<u>36,098</u>	<u>17,139</u>	12	<b>Tax</b>	<b>-6,348</b>	<b>44</b>
			<b>Profit for the year</b>	<b>153,110</b>	<b>45,488</b>
			<b>Total profit for the year</b>	<b>153,110</b>	<b>45,488</b>
60,323	22,677		<b>Proposed dividend</b>		
-24,225	-5,538		<b>Group contribution</b>		
<u>36,098</u>	<u>17,139</u>		<b>To or (from) other equity</b>		



## GRIEG SHIPHOLDING AS

(figures in usd 1 000)

2022	2021
974	974
<u>974</u>	<u>974</u>
8	13
518	518
<u>525</u>	<u>531</u>
218,614	217,294
9,841	9,941
41,794	26,180
2,100	3,150
469	524
<u>272,819</u>	<u>257,089</u>
<u>274,318</u>	<u>258,594</u>
26,036	11,009
204	68
<u>26,240</u>	<u>11,077</u>
46,599	44,220
<u>72,839</u>	<u>55,296</u>
<u>347,158</u>	<u>313,890</u>

Note

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## BALANCE SHEET

(figures in usd 1 000)

	2022	2021
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
<b>Intangible fixed assets</b>		
Deferred tax asset	-	2,575
<b>Total intangible assets</b>	<u>-</u>	<u>2,575</u>
<b>Tangible assets</b>		
Fixtures and fittings, other equipment	8	13
Other property	518	518
Vessels	515,883	532,948
<b>Total fixed tangible assets</b>	<u>516,409</u>	<u>533,478</u>
<b>Fixed financial assets</b>		
Investments in subsidiaries		
Investments in shares	5,949	5,154
Long term receivables group companies	22,979	7,429
Long term receivables associated	2,100	3,150
Long term receivables	3,163	3,504
<b>Total fixed financial assets</b>	<u>34,192</u>	<u>19,237</u>
<b>Total fixed assets</b>	<u>550,601</u>	<u>555,291</u>
<b>CURRENT ASSETS</b>		
<b>Accounts receivable</b>		
Receivables from group companies	3,774	3,967
Receivables from associated companies	37	
Inventory	3,856	3,388
Other receivables	6,734	7,552
<b>Total receivables</b>	<u>14,401</u>	<u>14,907</u>
Market-based investments	22,997	25,052
Bank deposits, cash in hand, etc	109,123	67,143
<b>Total current assets</b>	<u>146,521</u>	<u>107,102</u>
<b>TOTAL ASSETS</b>	<u>697,122</u>	<u>662,393</u>



## GRIEG SHIPHOLDING AS

(figures in usd 1 000)

2022	2021
15,899	15,899
<u>259,988</u>	<u>259,988</u>
<u>275,888</u>	<u>275,888</u>
-37,591	-14,349
<u>-37,591</u>	<u>-14,349</u>
<u>238,297</u>	<u>261,538</u>
573	675
<u>1,194</u>	-
<u>1,767</u>	<u>675</u>
328	523
<u>14,484</u>	<u>15,430</u>
<u>14,812</u>	<u>15,952</u>
31,883	12,926
23	34
53	21
<u>60,323</u>	<u>22,677</u>
	65
<u>92,282</u>	<u>35,724</u>
<u>108,861</u>	<u>52,352</u>
<u>347,158</u>	<u>313,890</u>

## GRIEG SHIPHOLDING GROUP CONSOLIDATED

### BALANCE SHEET


(figures in usd 1 000)

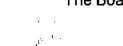
	2022	2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Paid-in capital</b>		
Share capital (100 000 shares à NOK 100)	15,899	15,899
Other paid-in capital	<u>259,988</u>	<u>259,988</u>
<b>Total paid-in capital</b>	<u>275,888</u>	<u>275,888</u>
<b>Retained earnings</b>		
Other equity	<u>103,025</u>	<u>20,050</u>
<b>Total retained earnings</b>	<u>103,025</u>	<u>20,050</u>
<b>Total equity</b>	<u>378,913</u>	<u>295,938</u>
<b>LIABILITIES</b>		
<b>Provisions</b>		
Pension liabilities	3,210	3,977
Deferred tax	<u>898</u>	
<b>Total provisions</b>	<u>4,108</u>	<u>3,977</u>
<b>Long-term liabilities</b>		
Liabilities to financial institutions	177,759	274,410
Other long-term liabilities	<u>50,960</u>	<u>54,718</u>
Liability to group companies		
<b>Total long-term liabilities</b>	<u>228,719</u>	<u>329,128</u>
<b>Current liabilities</b>		
Liabilities to group companies	14,050	615
Liabilities to associated companies	2,043	1,760
Accounts payable	2,659	1,240
Public duties payable	1,156	693
Dividend	60,323	22,677
Taxes payable	299	461
Other short-term liabilities	<u>4,851</u>	<u>5,903</u>
<b>Total current liabilities</b>	<u>85,382</u>	<u>33,350</u>
<b>Total liabilities</b>	<u>318,209</u>	<u>366,455</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>697,122</u>	<u>662,393</u>

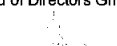
Bergen, 23rd of March 2023

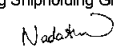
The Board of Directors Grieg Shipholding Group AS

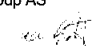
  
Camilla Grieg  
Chair

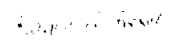
  
Elisabeth Grieg  
Board member

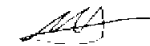
  
Didrik O. Munch  
Board member

  
Rune Birkeland  
Board member

  
Nada Ahmed  
Board member

  
Kai Grøtterud  
Board member

  
Ragnhild Janbu Fresvik  
Board member

  
Matthew R. C. Duke  
CEO



Consolidated (TUSD)		Cash flow statement Grieg Shipholding Group 2022		Parent (TUSD)	
2022	2021			2022	2021
159 458	45 444	<b>Cash flow from operations</b>		37 664	25 690
-300	-409	Profit before income taxes		-372	-
39 245	40 240	Taxes paid in the period		5	13
-767	-520	Depreciation incl docking		-36 768	-
-22 330	-12 434	Divident recognized		-	-415
-	-	Pension costs without cash effect		40	-
468	-4 163	Gain/loss from sale of fixed assets		-	-
1 419	1 081	Writedown shares in subsidiaries		-9	-20
156	-3 484	Impairment of fixed assets		-	12 884
-	704	Change in inventory		-	2 797
463	-4 841	Change in trade creditors		-	-1 687
951	897	Change in group debtors		-497	171
882	-	Change in group creditors			
		Change in public debt and other short term debt			
		Change in other provisions			
		Items classified as investment or financing			
<b>179 645</b>	<b>62 785</b>	<b>Net cash flow from operations</b>		<b>63</b>	<b>39 433</b>
		<b>Cash flow from investments</b>			
37 855	42 046	Proceeds from sale of fixed assets		-	-
-38 548	-4 373	Purchase of fixed assets		-	-
-	6 427	Proceeds from sale of market based investments		-	-
-7	-17 771	Purchase of market based investments		-	-
1 419	-	Loan repayments received from Group companies		41 283	-
1 050	-	Loan to associate		1 050	-
-	-	Proceeds sale of subsidiaries		-	-
-452	-	Shares in subsidiaries and associated company		-	-
<b>1 317</b>	<b>26 328</b>	<b>Net cash flow from investments</b>		<b>42 333</b>	<b>-</b>
		<b>Cash flow from financing</b>			
-100 409	-47 889	Proceeds from long term loans		-	-
-15 897	-	Proceeds from long-term Group loans		-17 394	5 449
-22 677	-3 516	Payment of dividend		-22 677	-3 516
<b>-138 983</b>	<b>-51 405</b>	<b>Net cash flow from financing</b>		<b>-40 071</b>	<b>1 933</b>
<b>41 980</b>	<b>37 708</b>	<b>Net change in cash and cash equivalents</b>		<b>2 325</b>	<b>41 367</b>
67 143	29 435	Cash and cash equivalents at the beginning of the period		44 744	3 377
<b>109 123</b>	<b>67 143</b>	<b>Cash and cash equivalents at the end of the period</b>		<b>47 068</b>	<b>44 744</b>
		Cash and cash equivalents at the end of the period consists of:			
		Bank deposits		47 068	44 744
109 123	67 143	Bank deposits cash pool agreement within the Grieg Shipholding Group			



Grieg Shipping Group cons.  
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.

The bulk activities, with chartered and owned vessels controlled by respectively Grieg Star Bulk AS and Grieg Maas AS (liquidated 2022) is marketed and operated by G2O Ocean in a supramax/ultramax pool.

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 and the bulk fleet are 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.

Grieg Shipping Group noter konsern 2022



Grøeg Shipholding Group cons.  
Notes to the financial statements 2022

## 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.

## 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.

## Pensions

The Group's main pension scheme is a defined contribution plan. Moreover, the Group has continued some defined benefit plans.

For the defined benefits plans, pension costs and pension commitments are calculated on a straight line earnings profile basis, based on assumptions related to the discount rate, future salary regulation, pensions and benefits under the National Insurance scheme, the future return on pension fund assets and actuarial assumptions about mortality, voluntary withdrawals etc. Pension fund assets are recognised at fair value and deducted from net pension commitments in the balance sheet. Changes in commitments due to changes in pension plans are spread over the expected remaining period of service. The same applies to estimated deviations and changed circumstances in so far as they exceed 10% of the larger of the pension commitment and the pension fund assets (corridor). In the balance sheet, the schemes are treated separately with pension fund assets booked as financial assets and pension commitments as a financial liability. Pension commitments in the balance sheet include Employers' National Insurance contributions.

For the defined contribution plans, the Group makes contributions to an insurance company. The Group has no further payment obligations once the contributions have been paid. Contributions are charged as payroll expenses. Any prepaid deposits are recorded as an asset in the balance sheet to the extent that the deposits can be offset against future payments.

Grøeg Shipholding Group noter kvartals 2022



Grieg Shipholding Group cons.  
Notes to the financial statements 2022

## 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, Grieg International II AS, GriegMaas AS (liquidated 2022) and GriegMaas Ultramax AS (liquidated 2022) are shipowning companies which are taxed under the Norwegian tonnage tax system pursuant to chapter 8 of the Taxation Act. The European Surveillance Authority 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 makes 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.

## Group account cash pool agreement

The Group account cash pool agreement with Grieg Shipholding AS as a Group Account Holder, divided into two cash 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 Shipholding AS' cash pool, Grieg Star AS, Grieg Star 2017 AS, Grieg Star Bulk are included.

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

Under these agreements, alle 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 of respectively Grieg Shipholding AS and Grieg Shipowning AS, as Group Account Holders. Participating companies' share of aggregated cash balance are recognised as intercompany balances in each participating company's balance sheet.

Grieg Shipholding Group noter konsern 2022



Grieg Shipholding Group cons.  
Notes to the financial statements 2022

## 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. 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 & 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.

COMPANY	REGISTERED OFFICE	OWNERSHIP
Grieg Shipholding AS - shipping holding company	Bergen	100%
Grieg Shipowning AS - shipowning holding company,	Bergen	100%
Grieg Star AS - ship management company	Bergen	100%
Grieg Star 2017 AS - administration company	Bergen	100%
Grieg Star Bulk Pool AS - pool company	Bergen	100%
Grieg Star OH Pool AS - pool company	Bergen	100%
Grieg Maas AS - shipowning holding company, tonnage taxed (liquidated 2022)	Bergen	50%
<b>Grieg Shipowning is a group which comprises the following companies:</b>		
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 - shipowning company	Bergen	100%
<b>GriegMaas is a group which comprises the following companies:</b>		
GriegMaas Ultramax AS - shipowning company, tonnage taxed (liquidated 2022)	Bergen	50%

Grieg Shipholding Group noter konsern 2022



Grieg Shipholding Group cons.  
Notes to the financial statements 2022

<b>Note 2 Related parties</b>		
<b>PARENT COMPANY</b>		
Figures in USD 1 000		
<b>Other receivables</b>	<b>2022</b>	<b>2021</b>
Grieg Green AS	1,034	262
Grieg Edge AS	6	23
Grieg Maritime Group AS	320	122
Grieg Star OH Pool AS	3	1
Grieg Star Bulk Pool AS	7	1
Grieg Shipbrokers Serv. KS	11	12
Grieg Star AS	116	0
Grieg Kapital AS	1	2
Grieg Group Resources AS	0	0
Grieg Investor AS	21	19
Grieg Maturitas II AS	3	4
Grieg Strat. Services AS		2
Grieg Shipowning AS	4,196	7370
Grieg Shipowning AS	17,111	0
Grieg Shipping II AS		550
Grieg Star 2017 AS	3,205	2,641
<b>Total</b>	<b>26,036</b>	<b>11,009</b>
<b>Long term receivables group companies</b>	<b>2022</b>	<b>2021</b>
Grieg Shipping II AS	18,638	18,638
Grieg Star OH Pool AS	101	57
Grieg Star Bulk Pool AS	76	57
Grieg Maritime Group AS	22,979	6,009
Grieg Edge AS		1,419
<b>Total</b>	<b>41,794</b>	<b>26,180</b>
<b>Long term receivables associated companies</b>	<b>2022</b>	<b>2021</b>
G2 Ocean AS	2,100	3,150
<b>Total</b>	<b>2,100</b>	<b>3,150</b>
<b>Other current liabilities</b>	<b>2022</b>	<b>2021</b>
Grieg Group Resources AS	0	1
Grieg Star Bulk AS		12,523
Grieg Star AS	115	295
Grieg Shipowning AS	1,692	0
Grieg Star Bulk AS	29,483	0
Grieg Maritime Group AS		81
Grieg Star 2017 AS	593	26
Joachim Grieg Star KS		
Grieg Gaarden AS		0
Grieg Property AS		
<b>Total</b>	<b>31,883</b>	<b>12,926</b>
<b>Long term liabilities</b>	<b>2022</b>	<b>2021</b>
Grieg Star 2017 AS	14,484	15,430
<b>Total</b>	<b>14,484</b>	<b>15,430</b>

Grieg Shipholding Group noter konsern 2022



Grieg Shipping Group cons.  
Notes to the financial statements 2022

<b>Transactions with related parties Company</b>	<b>Type of services</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>			
Grieg Star 2017 AS	Management fee		12
Grieg Star Bulk AS	Management fee		23
	Interest income	3	11
Grieg Star AS	Management, rental and IT fee	808	1,261
Grieg Green AS	Rental fee	134	207
Grieg Shipowning AS	Management fee		23
	Interest income		58
Grieg Shipping II AS	Management and IT fee	241	330
	Interest income	784	553
Grieg Shipping III AS	Management and IT fee		5
Grieg International II AS	Management and IT fee	77	95
	Interest income	3	171
Grieg Maritime Group AS	Rental and IT fee	635	497
	Management fee	347	254
	Interest income	458	119
Grieg Star OH Pool AS	Management fee		12
	Interest income	3	1
Grieg Star Bulk Pool AS	Management fee		12
	Interest income	3	1
Grieg Edge AS	Management, rental and IT fee	91	145
	Interest income	4	0
GriegMaas AS	Interest income		3
Fram Marine AS	Rental	1	68
Fram Green Techn.	Rental	18	0
Grieg Kapital AS	Rental	44	42
Grieg Strategic Services	Rental	41	0
Grieg Maturitas II AS	Management and rental fee	50	64
Grieg Shipbrokers KS	Rental	180	185
G2 Ocean AS	Rental	6	0
Grieg Investor AS	Rental	336	253
Other group companies	Service fee	216	100
<b>Total</b>		<b>4,483</b>	<b>4,591</b>

Grieg Shipping Group noter konsern 2022



Grieg Shipholding Group cons.  
Notes to the financial statements 2022

<b>Expenses</b>			
Grieg Star 2017 AS	Interest expense	592	408
Grieg Star AS	Management fee		118
Grieg Maritime Group AS	Management fee	43	65
Grieg Star Bulk AS	Interest expense		18
Grieg Star Philippines	Management fee	131	0
Grieg Group Resources AS	Service and IT fee	26	29
<b>Total</b>		<b>792</b>	<b>639</b>

## **GROUP**

Figures in USD 1 000

	2022	2021
<b>Other short-term receivables</b>		
Grieg Shipbrokers KS	11	12
Grieg Maturitas II AS	3	4
Grieg Maturitas AS	2	0
Grieg Kapital AS	1	2
Grieg Strat. Serv. AS		2
Grieg Maritime Group AS	320	122
Grieg Green AS	3,409	3,783
Grieg Edge AS	6	23
Grieg Investor AS	21	19
<b>Total</b>	<b>3,774</b>	<b>3,967</b>
<b>Long-term receivables</b>		
	2022	2021
Grieg Maritime Group AS	22,979	7,429
<b>Total</b>	<b>22,979</b>	<b>7,429</b>
<b>Long-term receivables associated</b>		
	2022	2021
G2 Ocean AS	2,100	3,150
<b>Total</b>	<b>2,100</b>	<b>3,150</b>
<b>Other short-term liabilities</b>		
	2022	2021
Grieg Maritime Group AS	7,117	602
Grieg Group Resources AS	5	1
Grieg Edge AS	1,826	0
Grieg Shipbrokers Val.		2
Grieg Investor AS	13	10
Grieg Maturitas II AS	5,072	0
Grieg Green	16	0
Grieg Logistics AS		
<b>Total</b>	<b>14,050</b>	<b>615</b>
<b>Short-term liabilities associated</b>		
	2022	2021
G2 Ocean AS	2,043	1,760
<b>Total</b>	<b>2,043</b>	<b>1,760</b>

Grieg Shipholding Group noter konsern 2022



Grieg Shipholding Group cons.  
Notes to the financial statements 2022

Transactions with related parties	2022	2021
Office services from Grieg Group Resources AS to the Group	81	131
Office and parking rental agreement between the Group and Grieg Gaarden AS	545	583
Commission agreement and compensation between the Group and Grieg Shipbrokers Val. Serv.AS		82
Commission agreement between the Group and Grieg Shipbrokers KS	565	748

#### Note 3 Other income

The bare boat 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 were sold in 2022 with a total profit of USD 16.2m. Commission fee of USD 0.16m is included in the profit calculation.

The vessels Star Crios and Star Artemis was sold in 2022 with a profit of USD 6m. Commission fee of USD 0.3m is included in the profit calculation.

#### Note 4 Operating lease agreement

##### 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

#### Note 5 Payroll expenses, number of employees, remuneration etc.

##### PARENT COMPANY

Figures in USD 1 000

Payroll expenses	2022	2021
Salary including bonus	64	685
Employers' national insurance contributions	0	8
Pension costs	10	2
Other remuneration	57	167
<b>Total</b>	<b>131</b>	<b>863</b>

As from 01.04.2021 the management was transferred from Grieg Shipholding AS to Grieg Maritime Group AS

No loans or loan security have been given to the CEO, the members of the board of directors or any related parties. No loans or loan security has been given which individually correspond to more than 5% of the company's equity.



Grieg Shipholding Group cons.  
Notes to the financial statements 2022

## GROUP

Figures in USD 1 000

Payroll expenses	2022	2021
Salary including bonus	4,313	4,607
Employer's national insurance contributions	651	619
Pension costs	277	305
Other remuneration	303	200
<b>Total</b>	<b>5,545</b>	<b>5,731</b>

The average number of employees in the year was	30	27
Average number of sailing personnel in the year was	597	576

Salary costs related to sailing personnel (employed by Grieg Philippines and other manning companies) totalled USD 29.3m.

The payroll expenses are recognised in the P&L as vessel operating expenses.

## Note 6 Pensions

### PARENT COMPANY

Figures in USD 1 000

The company has a defined contribution pension scheme for its employees. Premiums are paid monthly to a life insurance company.

Contribution based pension scheme	2022	2021
Payments to the contribution based pension scheme	44	2

From 01.04.2021 all the employees have been transferred to Grieg Maritime Group AS.

Grieg Shipholding Group AS has also a defined benefit scheme for certain employees with a salary above 12 G. Pension costs and commitments depend principally on length of service, salary at retirement and level of National Insurance benefits. This scheme covers one individual. There is also an early retirement scheme for this individual, ref note below for the Group.

Defined benefit pension scheme	2022	2021
Current service cost		10
Interest cost	40	42
Expected return on plan assets	-43	-44
Social security cost	0	1
Administrative expenses	22	24
Plan change through profit/loss	0	0
Actuarial (gains) / losses	112	28
<b>Net pension expenses</b>	<b>130</b>	<b>60</b>

Assumptions are the same as for the Group, see next page.

Figures in USD 1000	Funded	Unfunded	Total
Distribution by scheme at	Committed pensions	Aged 65-67	
Present value of obligations	1,839	171	2,010
Fair value of plan assets	-1,414	-	-1,414
Surplus (deficit) of pension plans	425	171	596
Actuarial (gains)/losses not recognised	-87	-20	-107
Social security	60	24	84
<b>Liability in the balance sheet</b>	<b>398</b>	<b>175</b>	<b>573</b>

Grieg Shipholding Group noter konsern 2022



Grieg Shipholding Group cons.  
Notes to the financial statements 2022

Figures in USD 1000	Funded	Unfunded	Total
<b>Distribution by scheme at</b>	<i>Committed pensions</i>	<i>Aged 65-67</i>	
Present value of obligations	2,154	294	2,448
Fair value of plan assets	-1,646	-	-1,646
Surplus (deficit) of pension plans	507	294	801
Actuarial (gains)/losses not recognised	-181	-58	-239
Social security	72	41	113
<b>Liability in the balance sheet</b>	<b>398</b>	<b>277</b>	<b>675</b>

## GROUP

Grieg Shipholding Group has both defined benefit and defined contribution pension schemes. The Group has also pension schemes for certain employees with salaries in excess of 12G. This pension gives the right to future defined benefits and the obligations are primarily dependent on years of service, salary at retirement and level of national insurance benefits. Pension costs and commitments depend principally on length of service, salary at retirement and level of National Insurance benefits. The scheme covers one individual.

Grieg Star 2017 AS and Grieg Shipholding AS have an early retirement scheme for employees who were in the main pension plan until the decision was made to close it. The early retirement scheme pays 70% of salary at the time reaching the age of 65 until 67 years. This scheme is not funded but is financed through operations. Pension liabilities in the balance sheet related entirely to Grieg Star 2017 AS and Grieg Shipholdings AS. The pension scheme covered 46 people as at 31.12.2022, hereof 18 persons received pension in 2022.

All of the pension schemes comply with the Norwegian Accounting Standard for pension costs (NRS 6). When actuarial estimat differences exceed 10% of the higher of the calculated pension commitment, including Employers' National Insurance contributions and pension fund assets, the excess amount is amortised over the remaining pension earning period.

	2022	2021
<b>Defined benefit pension scheme</b>		
Current service cost		10
Interest cost	196	204
Expected return on plan assets	-239	-244
Social security	-6	-4
Administrative expenses	80	94
Plan change through profit/loss	-	-
Actuarial (gains) / losses	171	28
<b>Net pension expenses</b>	<b>202</b>	<b>88</b>
	<b>2022</b>	<b>2021</b>
<b>Contribution based pension scheme</b>		
Payments to the contribution based pension scheme (Norway)	236	135
Pension abroad	-	-
<b>Sum</b>	<b>236</b>	<b>135</b>
<b>Total pension cost</b>	<b>438</b>	<b>223</b>

## Economic assumptions:

	2022	2022	2021
	Norway	Canada	Norway
Discount rate	3.00%	2.80%	1.90%
Anticipated rise in salaries	3.50%		2.75%
Anticipated return on pension fund assets	4.70%		3.10%
Anticipated increase in National Insurance base rate	3.25%		2.50%
Anticipated rise in pensions paid	3.25%		3.10%

The actuarial assumptions for 2022 are based on assumptions generally applied within the insurance industry relating to demographic factors.

Grieg Shipholding Group noter konsern 2022



Grøeg Shipholding Group cons.  
Notes to the financial statements 2022

Figures in USD 1000	Canada Funded	Norway Funded	Norway Unfunded	Consolidated
<b>Distribution by scheme at 31.12.22</b>				
Present value of obligations	867	9,547	668	11,081
Fair value of plan assets	-268	-7,558	0	-7,826
Surplus (deficit) of pension plans	599	1,989	668	3,255
Actuarial (gains)/losses not recognised	0	-397	-41	-338
Social security	0	198	94	292
<b>Liability in the balance sheet</b>	<b>599</b>	<b>1,889</b>	<b>721</b>	<b>3,209</b>

Figures in USD 1000	Canada Funded	Norway Funded	Norway Unfunded	Consolidated
<b>Distributed by scheme at 31.12.21</b>				
Present value of obligations	1,030	11,557	822	14,156
Fair value of plan assets	-147	-9,184	0	-9,372
Surplus (deficit) of pension plans	883	2,750	822	4,455
Actuarial (gains)/losses not recognised	0	-843	-58	-901
Social security	0	382	41	423
<b>Liability in the balance sheet</b>	<b>883</b>	<b>2,289</b>	<b>805</b>	<b>3,977</b>

Asset Allocation in Norway as of 30.09:	2022	2021
Shares	11.3 %	9.7 %
Bonds	47.0 %	46.3 %
Property	10.8 %	13.6 %
Money market	8.3 %	10.6 %
Other	22.6 %	19.8 %

## Note 7 Auditor's fee

### PARENT COMPANY

Figures in USD 1 000

Auditor's fee	2022	2021
Statutory audit	16	16
Tax advisory fee (incl. technical assistance)	12	16
Tax advisory fee (incl. technical ass. with tax return)	3	5
Other non-audit services		0
<b>Total fee to auditor excl. v.a.t.</b>	<b>31</b>	<b>37</b>

### GROUP

Figures in USD 1 000

#### Auditor's fee

Group auditor	2022	2021
Statutory audit	107	111
Technical assistance and other attest services	20	42
Tax advisory fee (incl. technical ass. with tax return)	13	31
<b>Total fee to Group auditor excl. v.a.t.</b>	<b>140</b>	<b>184</b>

Grøeg Shipholding Group noter konsern 2022



Grøeg Shipping Group cons.  
Notes to the financial statements 2022

## Note 8 Fixed assets

<b>GROUP</b>				
Figures in USD 1 000				
	<b>Vessels</b>	<b>Docking</b>	<b>New buildings</b>	<b>Total</b>
Acquisition cost at 01.01	1,116,681	45,985		1,162,666
Additions	22,743	16,628		39,371
Disposals	19,000	12,777		31,777
Acquisition cost at 31.12	1,120,424	49,837		1,170,260
Accumulated depreciation at 31.12	550,923	25,904		576,827
Accumulated write-downs	77,550			77,550
Accumulated write-downs reversed	0			0
Book value at 31.12	491,951	23,932		515,883
Share of financial lease:				58,309
Depreciation charge for the year	31,668	7,579		39,247
Depreciation plan	Straight-line	Straight-line	None	
Depreciation period	25-30 years	5 years		
	<b>Other property</b>	<b>Machinery, vehicles etc.</b>		<b>Total</b>
Acquisition cost at 01.01	518	1,381		1,899
Additions	0	20		20
Disposals	0			0
Acquisition cost at 31.12	518	1,401		1,919
Accumulated depreciation at 31.12	0	1,375		1,375
Book value at 31.12	518	25		543
Depreciation charge for the year	0	7		7
Depreciation plan	None	Straight-line		
Depreciation period		3-10 years		

## Note 9 Market-based investments

<b>GROUP</b>				
Figures in USD 1 000				
	<b>Acquisition cost</b>	<b>Market value</b>	<b>Acquisition cost</b>	<b>Market value</b>
	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
			<b>2020</b>	<b>2020</b>
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
		<b>Realised</b>	<b>2022 Unrealised</b>	<b>Total profit/loss</b>
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

Grøeg Shipping Group noter konsern 2022



Grieg Shipholding Group cons.  
Notes to the financial statements 2022

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

## Note 10 Guarantee

### GROUP

Grieg Shipholding AS has issued performance guarantees as follows:

		duration	remaining lease debt
Grieg International II AS	2 Fin. leasing vessels	12.9 years	77.8m
Grieg Shipping II AS	2 BB vessels	11 years	55.5m

## Note 11 Interests in joint ventures

Grieg Shipholding AS and Gearbulk established a joint venture, G2 Ocean, 2 May 2017. The interest in the joint venture is accounted for using the equity method of accounting.

Reconciliation to carrying amounts:

In USD 1000	2022	2021
Opening net assets 1 January	4,705	4,819
Acquisition cost		
Share of profit	981	-114
Effect of change revenue recognition principal	0	0
<b>Carrying amount at 31 December</b>	<b>5,686</b>	<b>4,705</b>

Summarised consolidated financial information 2021 joint ventures:

In USD 1000	Share of equity	Equity	Profit/loss
G2 Ocean Holding	35%	14,033	2,804

## Note 12 Taxes

### PARENT COMPANY

Figures in USD 1 000

#### Tax charge and tax payable in the accounts

Temporary differences	2022	2021
Fixed assets	-74	-104
Early retirement	-328	-523
Pensions	-573	-675
Liabilities fore	1,975	
Tax losses carried forward		-3,125
<b>Basis for deferred tax/(deferred tax assets)</b>	<b>1,000</b>	<b>-4,427</b>
<b>Deferred tax/(deferred tax assets) in the balance sheet</b>	<b>220</b>	<b>-974</b>

Grieg Shipholding Group noter konsern 2022



Grøeg Shipholding Group cons.  
Notes to the financial statements 2022

## Basis for taxation, change in deferred tax and tax payable

Profit before tax	16,448	25,690
Permanent differences	-11,382	-25,637
Basis of tax charge for the year	5,066	54
Change in temporary differences	-2,165	-388
Change tax losses carried forward	-1,209	334
<b>Basis for payable taxes in the income statement</b>	<b>1,692</b>	<b>-</b>
+/- Group contribution received/given	-1,692	-
<b>Taxable income (basis for tax payable in the balance sheet)</b>	<b>-</b>	<b>-</b>

## Tax expense consists of

Tax payable (22% of basis for tax payable in the profit and loss account)	372	
Currency effects		
Change in deferred tax	1,194	45
<b>Tax charge / (tax income)</b>	<b>1,566</b>	<b>45</b>

## 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	-	-
<b>Tax payable in the balance sheet</b>	<b>-</b>	<b>-</b>

## GROUP

Figures in USD 1 000

	2022	2021
<b>Tax expense consists of:</b>		
Tax payable on taxable income	3,558	80
Currency effects	-484	
Change in deferred tax	3,660	-64
Group contribution, tax effect	-384	-60
<b>Tax expense (income)</b>	<b>6,348</b>	<b>-44</b>

Tonnage tax (classified as an operating expense in the income statement): 243 441

## Deferred tax:

Long-term debt		
Fixed assets	-99	-143
Shares in subsidiaries		-33
Early retirement	-328	-523
Pension	-2,610	-3,091
Other temporary differences	750	3,959
Financial instruments and other short-term investments	3,066	768
Profit/loss account	4,341	2,358
Tax loss carry forwards	-40,140	-69,299
<b>Basis for deferred tax/(deferred tax assets)</b>	<b>-35,019</b>	<b>-66,003</b>
Deferred tax/(deferred tax assets)	-7,704	-14,521
Deferred tax assets not recognised in the balance sheet	8,603	11,867
Deferred tax/(deferred tax assets) recognised in the balance sheet	<b>898</b>	<b>-2,575</b>

Tax loss carry forward subject to ordinary income tax 31.12.2022 is 29.6 TUSD

Grøeg Shipholding Group noter konsern 2022



Grieg Shipping Group cons.  
Notes to the financial statements 2022

<b>Tax payable consists of:</b>		
Taxable financial income for companies under Chapter 8 of Taxation Act	64	90
Profit before tax subject to ordinary income tax	10,549	-10,928
Permanent differences	1,823	23,699
Changes in differences included in the basis for deferred tax/deferred tax assets	-1,374	-5,283
Group contribution		
Changes in deficit and remuneration brought forward	-10,999	-7,488
<b>Basis of tax charge for the year</b>	<b>64</b>	<b>90</b>
Current tax payable of net income	14	20
Adjustment with respect of prior years		
Tonnage tax	285	441
Tax prepaid		
Effect of Group contribution		
<b>Tax payable in the accounts</b>	<b>299</b>	<b>461</b>

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 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.

#### **Note 13 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).

Grieg Shipping Group noter konsern 2022



Grieg Shipholding Group cons.  
Notes to the financial statements 2022

## Note 14 Subsidiaries

### PARENT

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 Shipowning AS *	USD	Bergen	100%	220,291	21,913
Grieg Star OH Pool AS	USD	Bergen	100%	(55)	(13)
Grieg Star AS	USD	Bergen	100%	488	296
Grieg Star 2017 AS	USD	Bergen	100%	12,446	(503)
Grieg Star Bulk AS	USD	Bergen	100%	5,292	18,776
Grieg Star Bulk Pool AS	USD	Bergen	100%	(61)	(23)
<b>Book value at 31.12</b>					

\* Grieg Shipowning AS owns 100% of Grieg Shipping II, Grieg International II AS, Grieg Shipping III AS and Grieg Star Bulk AS.

## Note 15 Investments in shares

### GROUP

Figures in USD 1 000

	Registered office	Ownership	Book value
Incentra (co-operative)	Oslo	2.7%	2
Grieg Philippines Inc.	Makati City	25%	51
Star Blue Holding Inc	Makati City	25%	10
Grieg Star Philippines Inc.	Makati City	100%	200
G2 Ocean Holding AS (joint venture)	Bergen	35%	5,686
<b>Book value at 31.12</b>			<b>5,949</b>

Incentra is a non-profit maritime purchasing organisation, which seeks to ensure that the participants have the best possible suppliers of spare parts and consumer goods. Framework agreements have been made with various suppliers on behalf of the organisation.

Grieg Philippines Inc. has been the Group's manning agent in the Philippines since 2009.

G2 Ocean Holding AS is the holding company of G2 Ocean AS, marketing and operating the Group's vessels in one open hatch pool and one dry bulk pool.

Grieg Shipholding Group noter konsern 2022



Grøeg Shipholding Group cons.  
Notes to the financial statements 2022

## Note 16 Receivables maturing later than one year

<b>GROUP</b>		
Figures in USD 1 000		
	2022	2021
Other loans	136	154
Deposit on office rent	469	524
<b>Total</b>	<b>605</b>	<b>677</b>
Other long term receivables	2,558	2,827
<b>Total</b>	<b>2,558</b>	<b>2,827</b>

## Note 17 Restricted bank deposits

<b>PARENT COMPANY</b>		
Figures in USD 1 000		
	2022	2021
Restricted deposits on the tax deduction account	6	7
<b>GROUP</b>		
Figures in USD 1000		
	2022	2021
Other restricted deposits	527	365

## Note 18 Equity

<b>PARENT COMPANY</b>				
Figures in USD 1 000				
Changes in equity	Share capital	Other paid-up equity	Other equity	Total
Equity at 01.01	15,899	215,210	30,429	261,538
Profit for the year			36,098	36,098
Provision for dividends			(60,323)	(60,323)
Other changes			983	983
<b>Equity at 31.12</b>	<b>15,898</b>	<b>215,210</b>	<b>7,187</b>	<b>238,297</b>

<b>GROUP</b>				
Figures in USD 1 000				
Changes in equity	Share capital	Other paid-up equity	Other equity	Total
Equity at 01.01	15,899	215,210	64,828	295,938
Profit for the year			153,110	153,110
Provision for dividends			(60,323)	(60,323)
Group contribution			(9,763)	(9,763)
Other changes			(49)	(49)
<b>Equity at 31.12</b>	<b>15,899</b>	<b>215,210</b>	<b>147,803</b>	<b>378,913</b>

Grøeg Shipholding Group noter konsern 2022



Grieg Shipholding Group cons.  
Notes to the financial statements 2022

## Note 19 Share capital and shareholder information

### PARENT COMPANY

The share capital consists of	Number of shares	Nominal value	Book value in USD 1 000
A shares	1,035,835	11.59	12009
B shares	334,688	11.59	3,880
<b>Total</b>	<b>1,370,523</b>		<b>15,889</b>

Shareholders at 31.12	No. of A shares	No. of B shares	Total	Ownership
Grieg Maritime Group AS	1,035,835	334,688	1,370,523	100%

## Note 20 Interest-bearing debt

### GROUP

Figures in USD 1 000

#### Mortgage loans

As of 31.12.22, the Group has 7 mortgage loans. All 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 and a book equity ratio >25%.

Grieg Shipowning AS is providing guarantees in the amount of USD 17.7m per 31.12.2022 for Grieg International II AS vessels and USD 7.6 for the Grieg Shipping III AS vessel.

Grieg Shipping II AS and Grieg International II AS are 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
<b>Mortgage loans (1st priority)</b>		
Total	177,759	274,410
	177,759	274,410
<b>Of which long-term debt with maturity later than 5 years</b>		
Debt to credit institutions	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Balance value of mortgaged assets</b>		
Vessels	320,813	466,372
<b>Total</b>	<b>320,813</b>	<b>466,372</b>
<b>Other long term debt</b>		
Financial leasing	50,397	54,031
Other long term debt	979	688
<b>Total other long term debt</b>	<b>51,376</b>	<b>54,718</b>

Grieg Shipholding Group noter konsern 2022



To the General Meeting of Grieg Shipholding AS

## Independent Auditor's Report

### Opinion

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

- the financial statements of the parent company Grieg Shipholding 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 Shipholding 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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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Haugervåg, Jon	BANKID	2023-03-23 15:06

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## 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.”

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org. nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>		



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