Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	822 195 482
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	GRIEG SHIPPING II AS
Forretningsadresse:	C Sundtsg 17-19 5004 BERGEN

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kari T. Tepstad
Dato for fastsettelse av årsregnskapet:	20.03.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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, 13.05.2025

Resultatregnskap

Beløp i: USD	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	2	99 317 164	131 162 703
Sum inntekter		**99 317 164**	**131 162 703**
Kostnader			
Driftskostnader skip		62 194 612	64 209 503
TC og BB hyre	4	15 857 813	15 509 672
Avskrivning på varige driftsmidler og immaterielle eiendeler	5	19 312 296	21 583 587
Annen driftskostnad	3	4 533 756	3 734 568
Sum kostnader		**101 898 477**	**105 037 330**
Driftsresultat		**-2 581 313**	**26 125 373**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	2	625 842	798 864
Annen renteinntekt		302 307	555 117
Annen finansinntekt		839 708	538 716
Verdiøkning andre finansielle instrumenter vurdert til virkelig verdi	7	261 302	1 222 135
Sum finansinntekter		**2 029 159**	**3 114 832**
Rentekostnad til foretak i samme konsern	2	7 715 824	8 971 144
Annen rentekostnad		-993 346	-1 519 563
Annen finanskostnad		29 326	343 049
Sum finanskostnader		**6 751 804**	**7 794 630**
Netto finans		**-4 722 645**	**-4 679 798**
Resultat før skattekostnad		**-7 303 958**	**21 445 575**
Årsresultat		**-7 303 958**	**21 445 575**
Overføringer og disponeringer			
Ordinært utbytte		12 000 000	
Overføringer til/fra annen egenkapital		-19 303 958	21 445 575

Resultatregnskap

Beløp i: USD	Note	2024	2023
Sum overføringer og disponeringer		**-7 303 958**	**21 445 575**

Balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	5	311 851 787	325 340 095
Prosjekter		763 516	564 440
Sum varige driftsmidler		**312 615 303**	**325 904 535**
Finansielle anleggsmidler			
Nybyggingskontrakter	6	33 906 274	29 096 286
Andre fordringer	10	3 541 230	2 288 461
Sum finansielle anleggsmidler		**37 447 504**	**31 384 747**
Sum anleggsmidler		**350 062 807**	**357 289 282**
Omløpsmidler			
Varer			
Varer		3 460 888	3 346 732
Sum varer		**3 460 888**	**3 346 732**
Fordringer			
Andre fordringer		3 602 015	4 193 289
Konsernfordringer		6 705 630	4 032 768
Sum fordringer		**10 307 645**	**8 226 057**
Investeringer			
Andre markedsbaserte finansielle instrumenter		14 190 685	13 542 945
Sum investeringer		**14 190 685**	**13 542 945**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		4 030 093	2 367
Sum bankinnskudd, kontanter og lignende		**4 030 093**	**2 367**
Sum omløpsmidler		**31 989 311**	**25 118 101**

Balanse

Beløp i: USD	Note	2024	2023
SUM EIENDELER		**382 052 118**	**382 407 383**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
39 286 598 aksjer a NOK 1	11,12	7 057 811	7 057 811
Sum innskutt egenkapital		**7 057 811**	**7 057 811**
Opptjent egenkapital			
Fond	11	47 447 985	47 447 985
Annen egenkapital	11	204 792 518	224 096 476
Sum opptjent egenkapital		**252 240 503**	**271 544 461**
Sum egenkapital		**259 298 314**	**278 602 272**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	2	87 961 755	97 883 555
Øvrig langsiktig gjeld		14 531 260	
Sum annen langsiktig gjeld		**102 493 015**	**97 883 555**
Sum langsiktig gjeld		**102 493 015**	**97 883 555**
Kortsiktig gjeld			
Leverandørgjeld		3 355 599	2 716 201
Betalbar skatt	8	221 212	235 437
Utbytte	11	12 000 000	
Kortsiktig konserngjeld	2	3 440 547	1 529 556
Annen kortsiktig gjeld		1 243 431	1 440 362
Sum kortsiktig gjeld		**20 260 789**	**5 921 556**
Sum gjeld		**122 753 804**	**103 805 111**
SUM EGENKAPITAL OG GJELD		**382 052 118**	**382 407 383**

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	02.07.2012	15.08.2012
Telefon	**Deres referanse**	**Vår referanse**
22078139	Atle Nordby	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	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60

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
Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

BOARD OF DIRECTORS' REPORT 2024

GRIEG SHIPPING II AS

Areas of Operations

Grieg Shipping II AS (the "Company") is a ship owning company and is part of the consolidated group of shipping activities controlled by Grieg Shipholding AS ("Grieg Shipholding" or "the Group"). Per year end 2024, Grieg Shipping II AS controlled a fleet of 23 Open Hatch vessels. The Company owns 16 vessels; one is chartered in on long-term time charter, and the remaining five are on long-term bareboat charter. The Group's investment horizon is long-term, which is proved by a continued reinvestment in the core business, illustrated by its order for four new ammonia-ready 82,300 dwt. vessels, with delivery in 2026.

The Company's office in Bergen is organized under the Norwegian tonnage tax system and has no employees. The Board of Directors consists of eight members: three women and five men. In 2024, the Company purchased a range of services from Grieg Maritime Group (the shareholder of Grieg Shipholding AS) in strategy, communications, administration, IT, accounting, finance, legal, and business development. Another group company, Grieg Star AS, is responsible for ship management for the majority of the Company's fleet. The services are regulated under management agreements.

The vessels are marketed and operated by the Grieg Shipholding and Gearbulk jointly controlled company, G2 Ocean, the world's largest Open Hatch shipping company. The G2 Ocean Open Hatch pool consists of more than 100 vessels operating in a worldwide trading pattern built around long-term cargo contracts with pulp and paper producers and the transport of parcel cargoes such as steel and project cargoes. The operation's success criteria are the ability to establish optimal sailing patterns, combining various types of cargo coupled with efficient port operations.

Annual Accounts

2024 was a demanding year for the Open Hatch, as revenues declined compared to the previous year, given customer supply chain disruptions and various scheduling challenges that influenced the vessels' trading activities. On the other hand, total operating costs showed a positive development, supporting a fleet, holding a good technical standard, ensuring safety parameters, and normal on-hire figures. Although there was a challenging shipping market, the Group's financial standing and flexibility persisted.

The Company's operating revenues consist primarily of freight income and are accounted for as time charter hire. Total revenues decreased to USD 99.3m in 2024 (USD 131.2m). The primary reason for this was a reduction in freight earnings as G2 Ocean experienced high volatility in its S. American pulp shipments coupled with waiting for berth challenges, taking its toll on earnings during the year's first half. In the second half, the waiting for berth situation deteriorated further, resulting in scheduling challenges and subsequent losses from the vessels chartered by G2 Ocean to fulfil the commitment to their customers.

Total operating costs before depreciation decreased to USD 82.6 (USD 83.5m) mainly because vessel operating expenses decreased to USD 62.2m (USD 64.2m), after 2023 being a year of extraordinary costs where several vessels needed technical repairs and upgrading after being taken over on bareboat charter or brought back on internal ship management. Whilst costs for technical repairs declined, expenses related to crew, food provisions, and stores onboard as well as insurance costs, continued to rise in 2024. Time charter and bareboat costs also increased to USD 15.9m (USD 15.5m).

With significantly lower revenues than the decrease in operating costs, the Company's EBITDA decreased to USD 16.7m in 2024 (USD 47.m). Depreciation costs decreased to USD 19.3m (USD 21.6m) as expected, as the depreciation plan for vessels decided to trade beyond 30 years was altered. There were no impairments or reversal of impairment in the 2024 accounts. Thus, Grieg Shipping II AS' operating profit decreased to minus USD 2.6m in 2024 (USD 26.1m).

Net financial items were unchanged at minus USD 4.7m. However, interest costs decreased to USD 6.7m (USD 7.5m) due to debt repayments throughout the year and favourable interest rate hedges. This was, however, partly offset by a lower return on the Company's excess liquidity of USD 0.6m (USD 0.9m) due to a changed risk profile. Overall, the Company had a pre-tax result of minus USD 7.3m in 2024 (USD 21.4m).

As of year-end, long-term interest-bearing debt increased to USD 102.5m (USD 97.9m). The increase in debt is due to taking on pre-delivery financing of the Open Hatch new builds, which offset the loan instalments on the trading fleet. The pre-delivery loans will be converted into long-term operating leases at the vessels' delivery. 3 (3) vessels in the fleet are debt-free. The Company's book equity was USD 259.3m (USD 278.6m) at year-end, and total assets were USD 382.1m (USD 382.4m), implying an equity ratio of 68% (73%). Current assets accounted at year-end for USD 32.0m (USD 25.1m), while liquidity on the balance sheet date in the form of bank deposits and cash was USD 10.3m (USD 17.1m), including the Company's share of aggregated cash balance in the cash pool agreement the Company is part of[1].

Based on net cash flows from operations of USD 20.9m (USD 48.4m), cash flow from investments of minus USD 15.3m (USD -17.8m) and net cash flow of minus USD 1.6m (USD -30.7m) from financing activities, the Company's net change in liquid funds in 2024 was USD 4.0m (USD -7k).

External Environment

Addressing climate change is central to the Group's strategy, as it aims to reduce the carbon intensity from its owned and controlled fleet by 50% by 2030, compared to 2008 levels, and achieve a climate-neutral fleet by 2050. These ambitions are aligned with the revised strategy and targets set by the International Maritime Organisation as well as the Paris Agreement and the objectives of the Norwegian Shipowners' Association. To achieve this, the Group has developed a decarbonization roadmap, which can be categorized into three main areas. These will be closely monitored to assess the impact of the fleet's average carbon intensity, which was reduced by 0.7% from 2023.

Fleet Renewal: The Group has placed orders for new ammonia-ready vessels with delivery in 2026. The new vessels will be significantly more energy-efficient than the existing fleet

Operational Measures: These include speed optimization, hull performance improvement, avoiding idle running of diesel generators, reduced waiting for berth time, and improved port productivity. To succeed, good cooperation with G2O as charterer of the vessels is key.

Technical Upgrades: Various technical upgrades and decarbonization measures are being implemented on the existing fleet. The budget for decarbonization measures on the existing fleet has been increased by 50% for 2025.

The Group's 2030 environmental target is also confirmed in the Group's bank loans, which are sustainability-linked. For more information about improving the environmental impact of the Company's operations, please see the Annual Report for Grieg Maritime Group.

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[1] The Company has recorded this as a receivable in its accounts. Grieg Shipowning AS is the main holder of the cash pool.

Sustainability

For information on sustainability progress and reporting, please see Grieg Maritime Group's Annual Report, which shows new steps taken to prepare for reporting in accordance with CSRD. Grieg Maritime Group's latest Transparency Act Report is found on https://griegmaritime.com/report/transparency-act-report-2024/

Enterprise Risk and Compliance

Grieg Shipping II is exposed to financial and market risks. This is mainly composed of risks related to the development of freight rates, ship values, currency, and interest rates. Most of these risks are strongly correlated to macro-economic development. The fleet's earnings are primarily linked to long-term cargo contracts as the Company's shipping activity is of an industrial character. This implies that revenues are less volatile than in the spot market and that changing market conditions have a delayed effect on the results. Yet, the vessels' earnings are to some degree correlated with both the conventional dry bulk market and container shipping, both being shipping segments that are known to fluctuate.

Changing interest rates affect the Company's 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. Back in 2023, we reduced the portfolio's exposure to equities. At the beginning of 2025, it was decided to liquidate the portfolio to reduce the Group's liquidity risk, partly because of a change in capital structure and corresponding yield effects and partly because of investment commitments and plans for the next few years. Currency risk is mainly related to the purchase of administrative services in Norway, local taxes, and some purchases associated with the technical management of the fleet. There are policies in place to reduce currency and interest rate risks.

As ship manager, Grieg Star regularly conducts drills to ensure the organisation is prepared to handle various incidents. Whenever an incident occurs, an Emergence Preparedness Team convenes. In late 2024, the training was tested in real life when a fire broke out in one of the vessels while at berth. Luckily, no harm was inflicted on any of the crew, and after staying on shore while the vessel was undergoing repair, it sailed on in January. Environmental spills and violations are also risks prevailing for shipping operations. In 2024, there was one major non-compliance case related to the spill of oily water from a vessel. Measures have been taken to prevent such incidents in the future.

A factor impacting the Company in the future is the carbon emission regulations, incentivizing the maritime industry to reduce its effects on climate change. This may harm operational efficiency through slow steaming and require investments in carbon-reducing measures in the short term and investments in green propulsion systems in the long term. With the phasing in of emission permits in the EU Emission Trading System (EU ETS) from 2024 and FuelEU Maritime from 2025, the organisation has been working to implement the required processes and formalities. The experience is that the extra charges, as introduced by G2 Ocean, cover the increased cost of EU ETS.

With the frequent use of third-party suppliers and the increasingly stringent regulations and third-party vulnerability given, amongst others, rising political tensions have placed third-party risk management even higher on our agenda. We have therefore established detailed policies related to supplier screening, anti-money laundering, anti-bribery, corruption, and sanctions, as well as providing training to the organisation. To control these risks better, we have implemented a digital screening tool that assists in assessing human rights risks in our supply chain.

As the war in Ukraine and the Israel-Hamas conflict have continued, the safety of the seafarers and ships has stayed high on the agenda. Thankfully, there were no security-related incidents in 2024, and none of the vessels traded in the most exposed areas. The Group has chosen not to sail any vessels through the Red Sea, not raising any attacks by the Houthis, which also aligns with the Norwegian Shipowners' Association's recommendation.

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 by an international insurance company with a solid rating.

For more insight into our risks and handling of such, please see the separate section in Grieg Maritime Group's Annual Report.

The Market and Outlook

With rising geopolitical tensions and rapidly shifting trends across the globe, it is increasingly difficult to navigate and forecast the future. A large influx of new vessels across various competing segments to Open Hatch is expected to result in a softer market for the coming year. Per Clarksons, fleet growth in 2024 for the larger geared dry bulk segments is estimated to have grown by about 3.4%, whilst the recycling of vessels amounted to 15 vessels only, i.e., about 0.7m tons of a fleet totalling approx. 250m tonnes.

For 2025, the delivery of new ships in the supramax/ultramax segment – the equivalent size for most of our Open Hatch ships- will have its highest number of deliveries since 2016, with around 180 vessels representing approximately 5% of the existing fleet. While the deliveries of container vessels are expected to slow in 2025 compared to 2024, the order book remains elevated and above pre-pandemic levels, and there is an expectation that supply will outpace demand. Despite the expected adverse effects related to new deliveries, the effects of dry-docking may have a larger-than-normal impact on effective fleet growth.

Clarksons estimates that more than three thousand dry bulk vessels are due for special survey in 2025, with a similar amount in 2026 and 2027. This increase in dry-docking could cut 0.6% off the average effective fleet growth for the total dry bulk fleet in 2025. On top of that are potential effects from congestion and waiting time, where increases provide further potential for effective fleet growth to narrow. A potentially higher pace of recycling can also support a stronger supply-demand balance as fuel regulations come into effect with stronger scrutiny of the environmental performance of vessels. On the other hand, the potential de-escalation of the conflict affecting the Red Sea could reduce tonne-miles as more container and dry bulk vessels are expected to sail through the Suez Canal.

In terms of demand growth, things seem more uncertain than ever. Many analysts foresee 2025 as a year with less growth for major dry bulk commodities as the Chinese economy is slowing down and preparing to become more self-sufficient in raw materials. However, the demand for minor bulk, which is the most relevant to Open Hatch, looks slightly more promising. Given this, coupled with G2 Ocean having long-term agreements for transporting pulp cargoes, we should expect an improvement in freight revenues for 2025. Still, with the trade tariffs imposed by the new US administration, the outlook is becoming more ambiguous. Whilst import duties, on the one hand, are likely to lead to price increases and inflationary pressure, hurting consumer and industrial demand, the US tariffs could eventually lead to considerable changes in the sourcing of goods and raw materials, resulting in longer sailing distances and the tying up of more ship capacity.

As always, forecasting the future is challenging. Changes in market dynamics, such as increasing geopolitical tensions and deglobalization, not only heighten risk but may also produce pockets of opportunity. Resilience is key to absorbing risk and capitalizing on the opportunities that inevitably will arise.

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 Company's financial position and future earnings expectations. The Board believes that the submitted annual accounts give a correct picture of the results, cash flows and the economic situation. No material events affecting the financial position have occurred after the balance sheet date.

A significant challenge of our time is to stop the deterioration of the environment. We fully support international regulations and initiatives and commend IMO's efforts to elevate ambition levels on emission reductions. The transition towards measuring emissions per transport work by the well-to-wake principle represents a significant stride, together with the absence of concrete sanctions for non-compliance. We firmly advocate establishing sanctions alongside incentives to drive substantial emission reduction and ensure compliance with the objectives. In this respect, the EU's European Trading Scheme that came into effect in 2024 and the FuelEU Maritime program are welcome measures. However, we are concerned that the Norwegian decision-makers are unwilling to reinvest the funds from the EU ETS scheme back into emission-reducing initiatives as in the EU countries.

The maritime industry is an important contributor to Norwegian value creation, and we expect that it will continue to have stable framework conditions going forward so it can operate on an even level playing field. This is essential for our continued value contribution to society and for delivering common environmental objectives.

As the shipping industry is a capital-intensive business, having a strong balance sheet to withstand volatile markets as well as investing in the most efficient ships in the long run, are key. We consider Grieg Shipping II to be in good financial and strategic shape, ready to continue developing its business activities going forward, supported by a highly competent team.

Bergen, 20 March 2025
The Board of Directors of Grieg Shipping II AS

Stian Grieg Stian Grieg Board Member	Camilla Grieg Chair	Didrik O. Munch Board Member
Hege L Ingebrigtsen Hege Leirfall Ingebrigtsen Board Member	Elisabeth Grieg Deputy Chair	Rune Birkeland Board Member
Espen Gjerde Board Member	Matthew Robert Cagienard Duke CEO	Paal E. Johnsen Paal Espen Johnsen Board Member

INCOME STATEMENT

Grieg Shipping II AS

REVENUES	Note	2024	2023
Operating revenues	2	99 317 164	131 162 703
Total revenues		**99 317 164**	**131 162 703**
Operating expenses			
Vessel operating expenses		62 194 612	64 209 503
Other operating expenses	3	4 533 757	3 734 567
Bareboat- and T/C hire	4	15 857 813	15 509 672
Depreciation	5	19 312 296	21 583 587
Total operating expenses		**101 898 477**	**105 037 330**
Operating profit		**-2 581 313**	**26 125 373**
Financial items			
Interest income		302 307	555 117
Interest income group	2	625 842	798 864
Other financial income		0	4 098
Interest expenses		993 346	1 519 563
Interest expenses group	2	-7 715 824	-8 971 144
Change in value of financial investments	7	261 302	1 222 135
Realized return on market-based fin. investm.	7	386 439	-314 291
Other financial expenses		-29 326	-28 758
Gain/loss on foreign exchange		453 269	534 618
Total financial items		**-4 722 644**	**-4 679 798**
Profit before tax		**-7 303 958**	**21 445 575**
Tax	8	0	0
Profit for the year		**-7 303 958**	**21 445 575**
Dividend		12 000 000	0
Transferred to (from) other equity		-19 303 958	21 445 575
Total allocation		7 303 958	-21 445 575

BALANCE SHEET AS OF 31.12

Grieg Shipping II AS

ASSETS	Note	2024	2023
Tangible assets			
Vessels	5	311 851 787	325 340 095
Project in progress		763 517	564 441
Total fixed tangible assets		**312 615 303**	**325 904 535**
New building contracts	6	33 906 274	29 096 286
Other long term receivables	10	3 541 230	2 288 461
TOTAL FINANCIAL ASSETS		**37 447 504**	**31 384 747**
CURRENT ASSETS			
Receivables from group companies	2	6 705 630	4 032 768
Inventory		3 460 888	3 346 732
Other receivables		3 602 015	4 193 289
Other market based investmenets	7	14 190 685	13 542 945
Bank deposits, cash in hand, etc		4 030 092	2 367
Total current assets		**31 989 311**	**25 118 100**
TOTAL ASSETS		**382 052 118**	**382 407 383**

BALANCE SHEET AS OF 31.12

Grieg Shipping II AS

EQUITY AND LIABILITIES	Note	2024	2023
Paid-in capital			
Share capital (39.286.598 shares of NOK 1)	11, 12	7 057 811	7 057 811
Share premium reserve	11	47 447 985	47 447 985
Total paid-in capital		**54 505 795**	**54 505 795**
Retained earnings			
Other equity	11	204 792 518	224 096 476
Other equity		**204 792 518**	**224 096 476**
Total equity	**11**	**259 298 314**	**278 602 272**
Long-term debt			
Long-term liabilities to group companies	2	87 961 755	97 883 555
Other long-term debt		14 531 260	0
Total long-term liabilities		**102 493 015**	**97 883 555**
Current liabilities			
Liabilities to group companies	2	3 440 547	1 529 556
Accounts payable		3 355 599	2 716 201
Dividend	11	12 000 000	0
Taxes payable	8	221 212	235 437
Other short-term liabilities		1 243 431	1 440 362
Total current liabilities		**20 260 789**	**5 921 556**
TOTAL EQUITY AND LIABILITIES		**382 052 118**	**382 407 383**

BALANCE SHEET AS OF 31.12

Grieg Shipping II AS

Bergen, 20.03.2025
The Board of Directors of Grieg Shipping II AS

Camilla Grieg Chair	Elisabeth Grieg Deputy chair	Didrik Munch Board member
Rune Birkeland Board member	Espen Gjerde Board member	Paal Espen Johnsen Board member
Stian Grieg Board member	Matthew R. C. Duke CEO	Hege Leirfall Ingebrigtsen Board member

Cash flow statement Grieg Shipping II AS

	Notes	USD 2024	USD 2023
Cash flow from operations			
Profit before income taxes		-7,303,958	21,445,575
Unpaid tonnage tax classified as operating expenses	8	221,212	235,437
Taxes paid in the period	8	-235,437	-212,883
Gain/loss from sale of market based investments	7	382,196	-314,291
Depreciation	5	25,666,595	28,025,437
Change in inventory		-114,156	-483,741
Change in trade creditors		639,398	1,176,088
Effect of exchange fluctuations		154,447	-164,225
Items classified as investments or financing		-415,749	-1,057,910
Change in other provisions		1,943,514	-201,641
Net cash flow from operations		**20,938,062**	**48,447,846**
Cash flow from investments			
Purchase of fixed assets	5	-12,251,742	-37,423,239
Proceeds from sale of market based investments	7	4,614,800	4,345,069
Purchase of market based investments	7	-5,001,238	-6,128,205
Change cash pool agreement Grieg Shipowning group		-2,672,862	21,445,406
Net cash flow from investments		**-15,311,043**	**-17,760,970**
Cash flow from financing			
Proceeds from long term loans - newbuilding	13	8,322,507	0
Repayment of long term loans		0	0
Proceeds Group loans	2	-9,921,800	-30,693,548
Net cash flow from financing		**-1,599,293**	**-30,693,548**
Net change in cash and cash equivalents		**4,027,725**	**-6,671**
Cash and cash equivalents at the beginning of the period		2,367	9,038
Cash and cash equivalents at the end of the period		**4,030,092**	**2,367**
Cash and cash equivalents at the end of the period consists of:			
Bank deposits		4,030,092	2,367
Sum		4,030,092	2,367

Grieg Shipping II AS

Notes to the financial statement for 2024

Note 1 Accounting principles

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

Operating revenues
Operating revenues are recognised as income at the time of delivery.

Classification and valuation of balance sheet items
Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Acquisition cost
The acquisition cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and costs related to the acquisition (freight, customs fee which are non-refundable and other direct purchase costs). Acquisitions in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

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 company's vessels are sailing in a pool, which are market and operated by G2 Ocean AS. Having the vessels sailing in a pool means that the operational use of the vessels, including optimisation 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 fleet is therefore considered to be the cash-generating unit. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each date.

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.

Foreign currency
Cash items, receivables and liabilities denominated in foreign currencies are valued at the year end exchange rates. Profit and loss items in foreign currency are recorded at exchange rates prevailing at the time of the transaction. Realised and unrealised gains and losses are included under financial items in the profit and loss statement.

Investments in financial instruments
Short-term investments in financial instruments are regarded as part of the financial trading portfolio and recognised at fair value at year-end. Dividends received, and both realised and unrealised gains/losses are recognised as other financial income.

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. 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 the question and is included in interest expenses for the period. Unrealised gain/loss on the hedging contracts is not posted on the balance sheet.

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.

Total expenditure on the vessel is decomposed into components that have different useful lifes. Expenses related to ordinary maintenance are expensed when incurred. Drydocking costs are capitalised and depreciated over the period to the next scheduled drydocking.

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

Operating 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 ordinary operating cost.

Taxes
The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

The company is subject to the taxation regime for shipowning companies pursuant to Chapter 8 of the Taxation Act.

Cash flow statement
Cash flow statement 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 minimal exchange rate risk be converted into a known amount with due date less than three months from the purchase date.

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

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

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

Change of presentation currency
As of 1 January 2014, the company changed its presentation currency from NOK to USD. The company's functional currency is USD as most of the company's revenues and operating costs are realised in USD.

Note 2 Intercompany balances and transactions with related parties

Figures in USD 1 000

Transactions with related parties

G2 Ocean AS is operating the vessels in a pool on behalf of Grieg Shipping II AS. The shipping pool result is distributed to the company based on a distribution key.

Company	Relation	Type of services	2024	2023
Operating revenue from group and associated companies				
G2 Ocean AS	Associated company	Time charter	99,317	131,163
Operating expenses from group companiaes				
Grieg Maritime Group AS	Group company	Management	1,980	1,315
Grieg Star AS	Group company	Management	7,070	6,051
Total			**9,050**	**7,366**

Grieg Shipping II AS is administratively and financially managed by Grieg Maritime Group AS, and pays annual management fee for such services.
During 2020 ship management was outsourced for some of the company's vessels. As of year-end 2024 1 vessel is managed by Zeaborne Ship Management. The remaining fleet is on ship management with Grieg Star AS.
All ship management services are remunerated through an annual ship management fee. In addition, the company purchases services from Grieg Star AS related to following up various fleet operational and development matters.

There have been loans and/or performance gurantees between Grieg Shipping II AS and Group companies, which has led to interest elements between the companies.

Net financial items				
Grieg Shipowning AS	Group company	Interest income	626	799
Grieg Shipowning AS	Group company	Interest expense	-7,711	-8,951
Grieg Shipholding AS	Group company	Interest expense	-4	-20
Total			**-7,090**	**-8,172**

Balances with group companies and related -parties

Other short-term receivables		**2024**	**2023**
Grieg International II AS	Group company		
Grieg Star OH Pool AS	Group company	459	438
Grieg Shipowning AS *)	Group company	6,246	3,595
Sum		**6,706**	**4,033**

*) The short-term receivables to Grieg Shipowning AS in 2024 is in total related to the Shipowning cash pool.

Other current liabilities			**2024**	**2023**
Grieg Shipowning AS	Group company		280	373
Grieg Shipowning AS	Group company	(dividend)	12,000	0
Grieg International II AS	Group company		492	-14
Grieg Star OH Pool AS	Group company		919	0
Grieg Star AS	Group company		1,030	452
Grieg Maritime Group AS	Group company		692	692
Grieg Green AS	Group company		19	18
Grieg Investor AS	Related		8	8
Sum			**15,441**	**1,530**

Other long-term liabilities		**2024**	**2023**
Grieg Shipowning AS	Group company	87,962	97,884
Sum		**87,962**	**97,884**

Note 3 Payroll expenses, auditor's fee etc.

Figures in USD 1 000

Payroll expenses, number of employees, remuneration etc.

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

Auditor's fee	**2024**	**2023**
Statutory audit (incl. techincal assistance with financial statements)	17	15
Tax advisory fee (incl. techincal assistance with tax return)	2	1
Other non-audit services		
Total fees to auditor, excl VAT	**19**	**16**

Note 4 Operating lease agreements

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

	Number of vessels	**Average duration**
Bareboat	5	7.9 years
Charterhire	1	1.2 year

The annual lease commitment is USD 12.4m for bareboat and USD 3.5m for charterhire.

Note 5 Fixed Assets

Figures in USD 1 000

	Vessels	**Docking**	**Total**
Purchase cost at 01.01	763,262	36,033	799,295
Additions	772	11,406	12,178
Transferred from new buildings			0
Disposals		7,870	7,870
Purchase cost at 31.12	764,034	39,570	803,604
Accumulated depreciation at 31.12	423,084	17,369	423,084
Impairment loss	51,300		51,300
Book value at 31.12	**289,650**	**22,201**	**311,852**
Depreciation	19,312	6,354	
Depreciation plan	Straight line	Straight line	
Expected useful life	30 - 35 years	5 years	

Based on an impairment testing per year-end 2020, the open hatch fleet was written down with USD 51.3m.

Note 6 Newbuild contracts, long-term receivables

Figures in USD 1 000

The company has 4 newbuild contracts entered in 2023, and the figures below represent the instalments paid for these vessels. During 2024, sale leaseback agreements were entered into for all of them.

The vessels will be delivered in 2026.

	2024	**2023**
Newbuild contracts	33,906	29,096
Total	**33,906**	**29,096**

Grieg Shipping II AS

Notes to the financial statement for 2024

Note 7 Investments in financial instruments

Figures in USD 1 000

	2024		2023	
	Acquisition cost	Market value	Acquisition cost	Market value
Bonds	1,519	1,615	6,130	6,380
Money market funds	11,662	12,575	6,665	7,163
Book value 31.12	**13,182**	**14,191**	**12,795**	**13,543**

	2024		
	Realised profit/loss	Unrealised profit/loss	Total profit/loss
Bonds	386	-154	**232**
Money market funds	0	416	**416**
Profit/loss from changes in fair value of financial instruments	**386**	**261**	**648**

Note 8 Taxes

Figures in USD 1 000

The company is taxed according to the Tonnage tax rules in the Norwegian Fiscal § 8-10.

	2024	2023
Tax expense consists of:		
Tax payable on taxable income	0	0
Change in deferred tax	0	0
Tax expense	0	0
Tonnage tax (booked as operating cost)	221	235
Deferred tax:		
Revaluation account	-825	-186
Temporary differences on taxable securities	1,460	135
Financial losses brought forward	-11,742	-15,454
Basis for deferred tax/deferred tax asset	-11,107	-15,504
Deferred tax/deferred tax asset (22%)	-2,443	-3,411
Deferred tax benefit not shown in the balance sheet	2,443	3,411
Deferred tax benefit in the balance sheet	0	0

Deferred tax benefit is not recognised in the balance sheet due to uncertainties releated to future utilisation of financial losses brought forward.

	2024	2023
Tax payable in the balance sheet:		
Taxable financial income	0	0
Tonnage tax	221	235
Tax payable in the balance sheet	221	235

Note 9 Financial risk management

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

Interest rate risk

The company's long term debt and some of its lease agreements are at floating interest rate terms, exposing the company to interest rate risk. The company's strategy is to hedge its interest rate exposure by utilizing interest swap agreements. Gains and loses arising from interest rate swaps are recognised in the same period as the related interest expense. At 31.12.24 the company held interest swap agreements of USD 34 m. Total unrealised MTM value for the swaps, not recognised in the balance sheet, at 31.12.24 was USD 1.87m.

Foreign exchange risk

The company hedges, from time to time, expenditures in currencies other than USD through forward contracts. At 31.12.24 the company had entered into hedging through the use of currency swaps for USD 6.9m. Total unrealized MTM value, not recognized in the balance sheet, at 31.12.24, was USD -0.247m.

Freight risk (FFA)

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 31.12.24, the company had not entered into any Forward Freight Agreements (FFA).

Note 10 Debtors which fall due later than one year

Figures in USD 1 000

	2024	2023
Long term receivables	3,541	2,288
Total	**3,541**	**2,288**

Note 11 Equity

Figures in USD 1 000

Changes in equity	Share capital	Share premium	Other equity	Total
Equity at 01.01	7,058	47,448	224,097	278,602
Profit for the year			-7,304	-7,304
Dividend			-12,000	-12,000
Equity at 31.12	7,058	47,448	204,793	**259,298**

Note 12 Share capital and shareholders information

The parent company, Grieg Maritime Group AS has its registered office in Bergen (C. Sundtsgate 17), where the consolidated financial statements are available.

The share capital consists of 39 286 598 shares with nominal value of NOK 1 each.

Shareholders at 31.12	Number of shares	Ownership
Grieg Shipowning AS	39,286,598	100%
Total shares	**39,286,598**	**100%**

Note 13 Interest bearing debt and credit facilities

Mortgage loans

At 31.12.24, the company has no loans.

Covenants

The company is providing guarantees in the amount of USD 6.4m per 31.12.2024 for Grieg Shipowning AS.
In addition the company, together with Grieg International II AS, providing guarantees in the amount of USD 154m for Grieg Shipowning AS.
All the loans have a financial covenant that Grieg Shipowning consolidated shall have minimum USD 25M / 5% of interest bearing debt in liquidity and minimum 25% in book equity. The company has been in compliance with its covenants throughout the year.

To the General Meeting of Grieg Shipping II AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Grieg Shipping II AS (the Company), which comprise the balance sheet as of 31.12.2024, 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, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with 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 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 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 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

PricewaterhouseCoopers AS, Torgallmenningen 14, 5014 Bergen, P.O, Box 3984 - Sandviken, NO-5835 Bergen
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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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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, 20 March 2025
PricewaterhouseCoopers AS

Hallvard Aarø
State Authorised Public Accountant
(This document is signed electronically)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Aarø, Hallvard	BANKID	2025-03-20 15:14

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