Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	918 899 855
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	G2 OCEAN HOLDING AS
Forretningsadresse:	C. Sundts gate 17 5004 BERGEN

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Morselskap 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:	Marit Holm
Dato for fastsettelse av årsregnskapet:	23.03.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 18.04.2023

Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Kostnader			
Selling, general and administrative		4 000	28 000
Sum kostnader		**4 000**	**28 000**
Driftsresultat		**-4 000**	**-28 000**
Finansinntekter og finanskostnader			
Annen finansinntekt		35 000	17 000
Sum finansinntekter		**35 000**	**17 000**
Netto finans		**35 000**	**17 000**
Ordinært resultat før skattekostnad		**31 000**	**-11 000**
Skattekostnad på ordinært resultat		1 000	0
Ordinært resultat etter skattekostnad		**30 000**	**-11 000**
Årsresultat		**30 000**	**-11 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		30 000	-11 000
Sum overføringer og disponeringer		**30 000**	**-11 000**

Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap		28 120 000	28 120 000
Sum finansielle anleggsmidler		**28 120 000**	**28 120 000**
Sum anleggsmidler		**28 120 000**	**28 120 000**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		6 000	5 000
Konsernfordringer		0	6 000
Sum fordringer		**6 000**	**11 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		43 000	3 000
Sum bankinnskudd, kontanter og lignende		**43 000**	**3 000**
Sum omløpsmidler		**49 000**	**14 000**
SUM EIENDELER		**28 169 000**	**28 134 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		7 134 000	7 134 000
Overkurs		20 990 000	20 990 000
Sum innskutt egenkapital		**28 124 000**	**28 124 000**
Opptjent egenkapital			

Balanse

Beløp i: USD	Note	2021	2020
Annen egenkapital		10 000	-20 000
Sum opptjent egenkapital		**10 000**	**-20 000**
Sum egenkapital		**28 134 000**	**28 104 000**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Betalbar skatt		1 000	0
Kortsiktig konserngjeld		28 000	0
Accrued liabilities		6 000	30 000
Sum kortsiktig gjeld		**35 000**	**30 000**
Sum gjeld		**35 000**	**30 000**
SUM EGENKAPITAL OG GJELD		**28 169 000**	**28 134 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		1 485 293 000	1 117 429 000
Sum inntekter		**1 485 293 000**	**1 117 429 000**
Kostnader			
Voyage related		692 586 000	559 882 000
Time charter rental		181 263 000	52 601 000
Depreciation and amortization		9 493 000	9 908 000
Selling, general and administrative		51 666 000	45 153 000
Pool distribution to owners		548 676 000	444 451 000
Sum kostnader		**1 483 684 000**	**1 111 995 000**
Driftsresultat		**1 609 000**	**5 434 000**
Annen rentekostnad		542 000	717 000
Annen finanskostnad		1 061 000	5 092 000
Sum finanskostnader		**1 603 000**	**5 809 000**
Netto finans		**-1 603 000**	**-5 809 000**
Ordinært resultat før skattekostnad		**6 000**	**-375 000**
Skattekostnad på ordinært resultat		333 000	1 532 000
Ordinært resultat etter skattekostnad		**-327 000**	**-1 907 000**
Årsresultat		**-327 000**	**-1 907 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-327 000	-1 907 000
Sum overføringer og disponeringer		**-327 000**	**-1 907 000**

Konsernets balanse

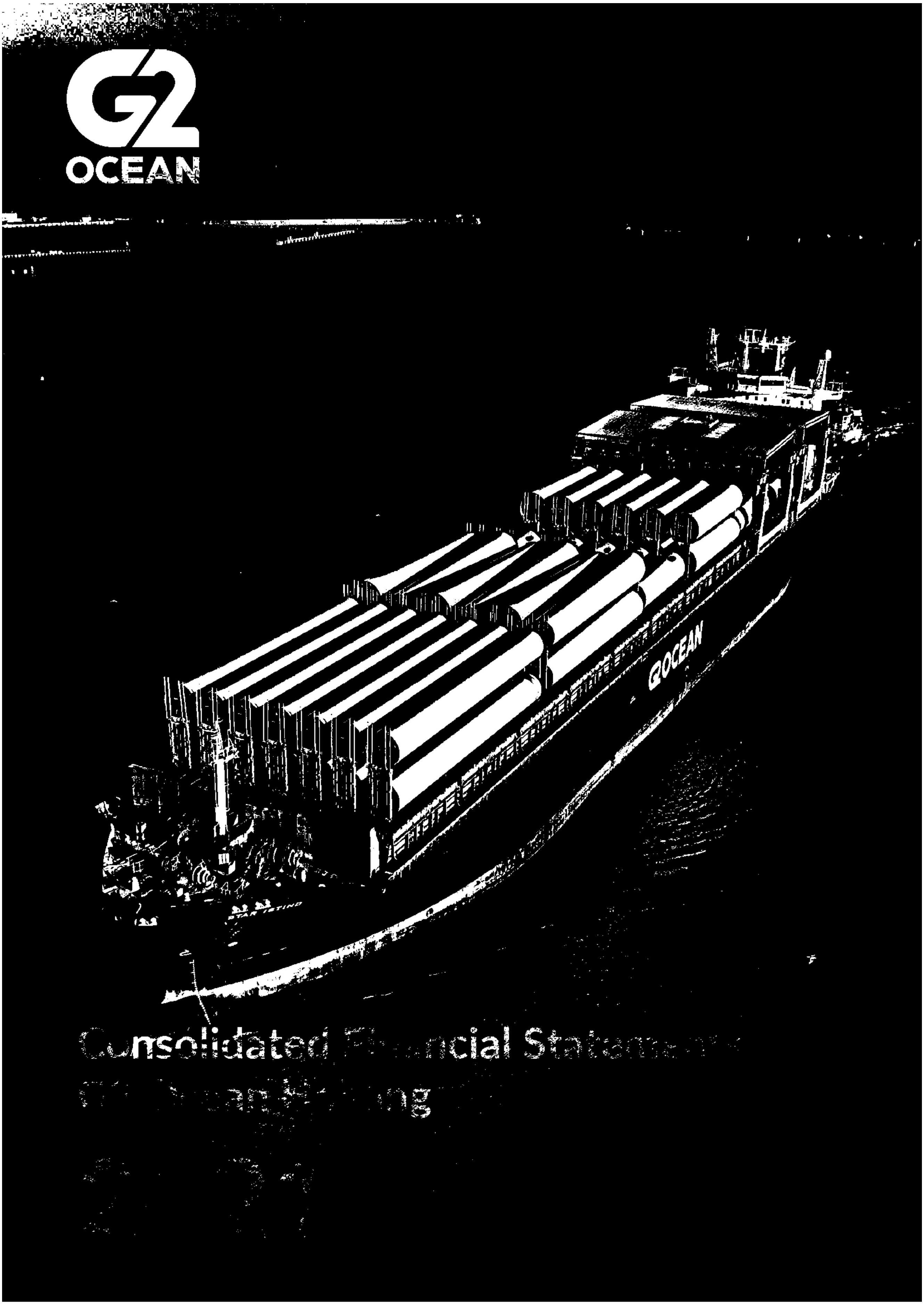
Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		1 141 000	929 000
Goodwill		1 087 000	4 675 000
Sum immaterielle eiendeler		**2 228 000**	**5 604 000**
Varige driftsmidler			
Property plant and equipment		24 604 000	23 252 000
Sum varige driftsmidler		**24 604 000**	**23 252 000**
Finansielle anleggsmidler			
Andre fordringer		124 000	659 000
Sum finansielle anleggsmidler		**124 000**	**659 000**
Sum anleggsmidler		**26 956 000**	**29 515 000**
Omløpsmidler			
Varer			
Bunker inventory		61 289 000	41 131 000
Sum varer		**61 289 000**	**41 131 000**
Fordringer			
Trade receivables		81 973 000	58 882 000
Trade receivables related parties		55 000	51 000
Related parties receivables		10 130 000	6 044 000
Accrued voyage revenues		17 125 000	13 286 000
Prepaid expenses		1 795 000	1 065 000
Other current assets		2 996 000	5 417 000
Sum fordringer		**114 074 000**	**84 745 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		5 087 000	6 003 000
Sum bankinnskudd, kontanter og lignende		**5 087 000**	**6 003 000**
Sum omløpsmidler		**180 450 000**	**131 879 000**

Konsernets balanse

Beløp i: USD	Note	2021	2020
SUM EIENDELER		**207 406 000**	**161 394 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		7 134 000	7 134 000
Overkurs		20 990 000	20 990 000
Sum innskutt egenkapital		**28 124 000**	**28 124 000**
Opptjent egenkapital			
Other equity		-1 372 000	1 226 000
Retained earnings		-12 496 000	-12 169 000
Sum opptjent egenkapital		**-13 868 000**	**-10 943 000**
Sum egenkapital		**14 256 000**	**17 181 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser		2 727 000	2 821 000
Utsatt skatt		0	421 000
Sum avsetninger for forpliktelser		**2 727 000**	**3 242 000**
Annen langsiktig gjeld			
Related parties payable		6 000 000	9 000 000
Other current liabilities		511 000	541 000
Sum annen langsiktig gjeld		**6 511 000**	**9 541 000**
Sum langsiktig gjeld		**9 238 000**	**12 783 000**
Kortsiktig gjeld			
Bank overdraft		15 230 000	14 036 000
Leverandørgjeld		17 388 000	10 168 000
Betalbar skatt		62 000	606 000
Skyldige offentlige avgifter		927 000	1 033 000
Related parties payable		4 708 000	7 742 000
Accrued liabilities		53 651 000	35 117 000

Konsernets balanse

Beløp i: USD	Note	2021	2020
Deferred voyage revenues		85 726 000	54 884 000
Other current payables		6 220 000	7 844 000
Sum kortsiktig gjeld		**183 912 000**	**131 430 000**
Sum gjeld		**193 150 000**	**144 213 000**
SUM EGENKAPITAL OG GJELD		**207 406 000**	**161 394 000**


OCEAN

Definitions

Throughout this report "G2 Ocean", "Company", "Joint Venture", "Group", "we", "us" and "our" refer to G2 Ocean Holding AS and its subsidiaries. Subsidiaries comprise consolidated entities.

The Group's reporting currency is the US Dollar. Unless otherwise indicated all references to "USD", "US$" or "$" refer to United States Dollars, the currency of the United States of America.

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles ("NGAAP").

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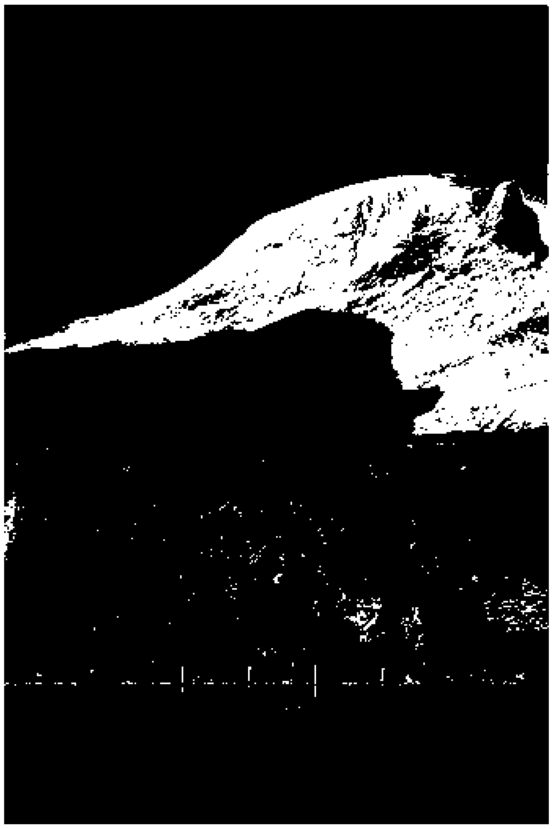


OUR ORGANIZATION

G2 Ocean Holding AS ("Company" or "G2 Ocean") is the world's largest shipping company within the open hatch segment. As of December 31, 2021, the Company is operating a core fleet of 89 open hatch vessels and 9 conventional bulk vessels. In addition, on average 24 vessels has been chartered from third parties on short-term contracts during 2021.

The Company is a joint venture between two of the world's leading open hatch shipowning companies, Gearbulk Holding AG ("Gearbulk") and Grieg Shipholding AS, a subsidiary of Grieg Maritime Group ("Grieg"). The Company is jointly controlled by Gearbulk and Grieg, with Gearbulk owning 65% and Grieg owning 35%.

G2 Ocean does not own vessels on its own, but operate vessels owned or chartered by Gearbulk and Grieg Maritime Group, as well as vessels chartered from third parties on short-term time charters. The Company combines the global resources and expertise of Grieg and Gearbulk to operate the joint fleet of open hatch, semi open hatch and conventional bulk vessels.

G2 Ocean Holding AS is a company registered in Norway. The headquarters of G2 Ocean is located in Bergen, Norway, with Hub Offices located in Atlanta and Singapore. G2 Ocean currently employs 327 employees and has 15 offices around the world.

BUSINESS SEGMENT

G2 Ocean is a commercial and customer-oriented shipping joint venture operating worldwide within the Open Hatch and Conventional Dry Bulk segments.

Open Hatch segment

Our Core fleet	Gearbulk	Grieg	Total
Handysize	1	-	1
Handymax	12	14	26
Supramax	16	17	33
Ultramax	17	-	17
Panamax	12	-	12
Total	58	31	89

G2 Ocean's open hatch activities offer its customers a broad parcel cargo carrier concept, transporting a variety of different cargoes which involve complex handling and loading operations. This requires a diversified fleet, flexible sailing patterns and a highly competent organization.

Conventional Dry Bulk segment

Our Core fleet	Gearbulk	Grieg	Total
Supramax	1	-	1
Ultramax	1	5	6
Panamax	2	-	2
Total	4	5	9

The Company's conventional dry bulk operation consists of a core fleet of 9 vessels. In addition, the Company operates in the short-term markets.

ANNUAL ACCOUNTS

Results, earnings and operations

The dry bulk market experienced a rebound during 2021 with freight rates increasing throughout most of the year.

G2 Ocean's gross revenue of USD 1 485.3 million (2020: USD 1 117.4 million) consists mainly of freight income whereof USD 1 400.0 million (2020: USD 1 040.9 million) in the Open Hatch segment and USD 85.3 million (2020: USD 76.5 million) in the Conventional Bulk segment. The voyage related expenses amounted to USD 692.6 million (2020: USD 559.9 million) and the time charter rental expenses amounted to USD 181.3 million (2020: USD 52.6 million).

The income from operations before pool distribution amounted to USD 550.3 million (2020: USD 449.9 million). This resulted in a pool distribution to the Pool participants of USD 548.7 million (2020: USD 444.5 million).

The net earnings per vessel per day in 2021 in the Open Hatch segment increased by 18% compared to 2020, while the net earnings per vessel is 92% higher in 2021 compared to 2020 in the Conventional Bulk segment, driven by the shipping market rebound with increasing freight rates.

Balance sheet, financial situation and cash flow

The Company's book equity was USD 14.3 million (2020: USD 17.2 million) at year-end, whereof USD 28.1 million (2020: USD 28.1 million) was injected capital. By end 2021 the equity ratio was 6.9% (2020: 10.6 %). By the end of 2021, the Company had total assets of USD 207.4 million (2020: USD 161.4 million), with current assets accounting for USD 180.5 million (2020: USD 131.9 million).

Based on net positive cash flows from operations of USD 8.0 million (2020: negative USD 5.5 million), a net negative cash flow from investments of USD 7.0 million (2020: negative by USD 3.4 million) and a net negative cash flow of USD 2.4 million (2020: positive USD 9.8 million) from financing activities, the Group's net change in liquid funds in 2021 was negative by USD 0.9 million (2020: positive by USD 1.3 million). Liquidity in the form of bank deposits, cash and undrawn credit facility at year-end totaled USD 14.8 million (2020: USD 24.2 million).

WORKING ENVIRONMENT AND OCCUPATIONAL HEALTH

The Board considers the conditions related to the working environment and health in G2 Ocean to be good. The management works closely together with the employee representatives in monitoring and improving the overall working environment.

At year-end, G2 Ocean had 327 employees whereof 71 were employed in Norway and 226 abroad.

Health, environment and safety

G2 Ocean maintains an overview of sick leave in accordance with current laws and regulations. In 2021 the general sick leave for the global organization was 1.4%. Sick leave for the Norwegian based employees was 3.1%. Besides organizing medical follow-ups, the Company encourages and facilitates participation in physical activities for its personnel to keep healthy. The records show no personnel injuries for G2 Ocean employees in 2021.

The Covid-19 pandemic has resulted in extensive use of home office for a majority of our employees during the year. The working environment during this period has been followed up closely with company-wide surveys and various measurements and actions to support the well-being and safety of our employees.

G2 Ocean continued to focus on enhancing its safety culture. Office and operational safety ambassadors were trained in safety awareness and improvement of the safety culture.

Equal opportunities

At G2 Ocean, we are committed to providing equal opportunities for all employees. We have a zero-tolerance policy for workplace harassments and do not accept any form of discrimination.

G2 Ocean is working systematically to promote equality and prevent discrimination on the basis of, for example, gender, pregnancy, leave in connection with childbirth, ethnicity, religion, disability or sexual orientation.

G2 Ocean is a member of the Diversity Study Group to achieve greater equality, diversity, and inclusion in the workplace and across the shipping industry.

On January 1, 2020, the Equality and Anti-Discrimination Act was made effective in Norway. The legislation is specifying requirements relating to equality and anti discrimination including the requirement to prepare a gender equality statement which G2 Ocean has prepared for the Norwegian part of the Group based on the framework issued by the Norwegian governmental body, BufDir.

At year-end 2021, the workforce in the Norwegian part of the Group reflected a distribution between the genders of 28% women and 72% men, which includes a total of 3 (1 woman and 2 men) part time employees temporarily employed who are students as a primary occupation.

Total Workforce

Executive Management

At year-end 2021, the total workforce in the G2 Ocean Group reflected a distribution between the genders of 37% women and 63% men. For executive management, the gender distribution was 33% women and 67% men.

At year-end 2021, the Company´s Board of Directors consisted of one women and four men.

G2 Ocean has implemented an international recognized grading system for all positions in the Group which is rating all positions based on the level of required competence, degree of problem solving and accountability. As this enable the ability to compare positions across the organization, we believe it provides an efficient benchmark to measure variances in payroll and support the Company in its committed work to achieve equal pay across gender for equivalent positions.

In the Norwegian part of G2 Ocean the gender payroll gap for the different group of positions (job levels) are presented in the table below, which shows that the women are paid on average 2.9% less than men across the different employee categories.

Job Levels	Female average payroll in % of the Male average payroll
Professional	96.1%
Manager / Senior Professional	94.2%
Directors, Vice President and Executive Management	100.4%

EXTERNAL ENVIRONMENT

Shipping operations entail discharge of harmful emissions. G2 Ocean works continuously to be a visible and distinct contributor to environmental awareness and development.

G2 Ocean's impact on the climate and the environment are mainly related to the services G2 Ocean provides to its customers in addition to its travelling activity, greenhouse gas emissions and waste from its office operations.

G2 Ocean is committed to be a sustainable, pioneering and responsible company and has implemented the following UN Sustainable Development Goals as part of its long-term strategy: (4) Quality education, (8) Decent work and economic growth, (9) Industry, innovation and infrastructure, (12) Responsible consumption and production, (13) Climate action, (14) Life below water, and (16) Peace, justice and strong institutions.

Emission monitoring

As a measure to improve our environmental performance, we have set short-, and long-term environmental objectives and started monitoring our Scope 1, 2 and 3 emissions.

Scope 1 emissions cover the emissions from our shipping operations including Carbon Dioxide,- Nitrogen Oxides,- and Sulphur Oxides emissions.

Scope 2 emissions covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by G2 Ocean.

Scope 3 emissions include all other indirect emissions that occur in our value chain such as emissions related to business travel, employee commuting, and waste processing.

In November 2021, G2 Ocean set a clear ambition to advance climate change, launching a Decarb Taskforce with our owners Gearbulk and Grieg.

ETHICS, INTEGRITY AND TRANSPARENCY

The G2 Ocean Code of Business Ethics sets out the governance principles for G2 Ocean. G2 Ocean has defined nine ethical principles which it will adhere to.

Any form of bribery or corruption is unacceptable to G2 Ocean. To cooperate with like-minded industry companies to promote compliance with anti-corruption laws, G2 Ocean has joined the Maritime Anti-Corruption Network ("MACN").

G2 Ocean has a whistleblowing policy in place which allows anonymous reporting of suspicion of non-compliance either to an external supplier or internally.

CORPORATE SOCIAL RESPONSIBILITY

G2 Ocean's vision is "Pioneering Sustainable Shipping Solutions". The long-term strategy for 2020 – 2024 focuses on providing a positive contribution to G2 Ocean's customers, suppliers, employees, owners, the society and the environment. G2 Ocean takes its Corporate Social Responsibility ("CSR") seriously and continuously works to ensure that all activities are handled responsibly. Our actions and business practices are always grounded in the G2 Ocean vision, our Behavioral Principles and the UN Sustainable Development Goals. G2 Ocean aspires to be recognized for its responsibility, honesty and high integrity in all markets and services.

RISK

Managing risk is important for value creation and an integrated part of the Company's management and governing model. G2 Ocean's key risk factors relate to market operations, safety, financial management, cyber security, compliance and regulatory framework.

G2 Ocean's financial and market risk is mainly composed of risks related to the development of freight rates, bunker prices and currency rates. In order to reduce these risks and in particular relating to bunker prices and currency rates, G2 Ocean is undertaking hedging activities by use of financial instruments to ensure the risk is at a reasonable level and in accordance with the strategy.

The earnings in the open hatch segment are to a large extent related to cargo contracts, and as this shipping activity is of an industrial character, it implies that revenues are less volatile than in the spot market, and that changing market conditions generally have a delayed effect on the results. The Company's dry bulk operation is on the other hand more exposed to general market movements.

G2 Ocean assumes counterparty risk in all parts of its business. Issues related to credit risk as well as sanction regulations are frequently controlled and considered part of the daily business. G2 Ocean has a sanction screening tool which regularly screens counterparties against applicable sanction lists.

CORPORATE GOVERNANCE

To ensure a sound practice when it comes to the division of tasks and roles between the administration, the Board of Directors and the General Meeting, the Norwegian Code of Practice for Corporate Governance is applied as far as practicable for a privately-owned company. G2 Ocean has a Director & Officers insurance providing financial protection for the Board of Directors and the CEO up to a certain threshold and providing financial protection for G2 Ocean from reimbursement costs to indemnify Board of Directors and the CEO for their losses, as well as from defense costs associated with lawsuits and investigations.

THE MARKET

Global seaborne trade began the recovery from late 2020 and continued with volumes reaching pre-Covid-19 levels by mid 2021 and totaling 12.0 billion metric tons for the full year 2021 (representing a 3.6% increase compared to 2020). It is however expected that Covid-19 will continue to be a major source of logistical disruption during the first half of 2022.

Bulk

The overall supply-demand balance in the bulk sector remains supportive, and seaborne dry bulk trade is estimated to have increased by 4% to 5.4 billion metric tons in 2021. The minor bulk trade has played a key role in the rebound in 2021 with a growth of 4.8%, a development driven by strong demand for a range of commodities such as forest products, aluminium, steel and minerals. In 2022, the dry bulk sector is projected to grow by approximately 2.2%.

The average Baltic Dry Index ("BDI") for 2021 rose nearly fivefold from an average of 1 066 in 2020 to an average of 4 948 in 2021.

The bulk carrier fleet experienced limited growth of 3.6% in 2021 and is projected to grow 1.6% in 2022, and the current orderbook is only 7% of the fleet capacity.

Container shipping

The container sector experienced the highest rate increases of all segments in the shipping market with a 260% increase on charter freight, according to Clarksons' research, with market levels expected to remain firm into 2022. Meantime, severe port congestion and logistical disruption continue to have a significant impact on the industry driving container freight rates to levels not previously seen. Historically high rates are expected to continue in 2022.

Pulp

Market pulp shipment fell by almost 1.8 million metric tons (2.8%) in 2021, down to 59.9 million metric tons. This is contrary to the global economic rebound and mainly results from a combination of cyclical forces and significant logistical bottlenecks. Shipments are expected to rise by 2.4 million metric tons in 2022 based on the assumption of recovery in supply chain efficiency, catching up on order backlogs, and a rebuilding of stocks.

Aluminium

Global production of primary aluminium grew by approximately 3.1% in 2021 compared to 2020.

Steel

In 2021, global crude steel production reached 1 950 million metric tons, a 3.7% increase compared to 2020. China decreased its production by 3%, whereas several other major producing countries, such as India, Japan and the United States, had a strong increase of over 15% in production. China remains the dominant steel production nation, taking up to 53% of the world's total production volumes.

2022 expectations

In summary, G2 Ocean believe in a robust shipping market in 2022, where the supply-demand balance remains tight in the near terms, minor bulk continues to play a key role in trade growth, container charter market remains high and disruptions in ports continue as a challenge.

GOING CONCERN

The Board of Directors confirms that the annual accounts have been prepared on the basis of 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 events have taken place after the balance sheet date, which significantly would affect the accounts.

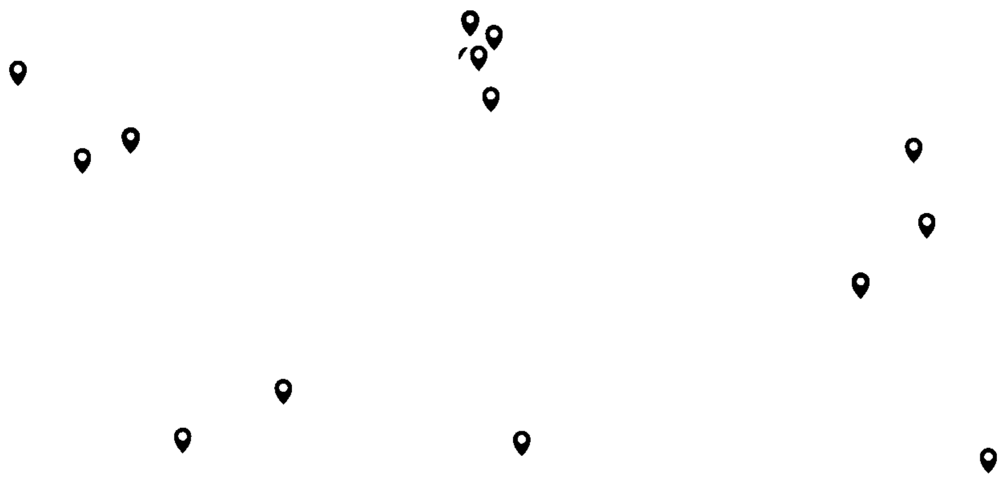
The Board would like to thank all employees for their great effort, ability to adapt and remain positive during the Covid-19 pandemic.

Bergen, March 10, 2022

The Board of Directors of

G2 Ocean Holding AS

Kristian Jebsen	**Camilla Grieg**	**Hans Petter Aas**
Chair	Vice Chair	Board Member
Arthur English	**Matthew Robert Cagienard Duke**	**Hans Olav Lindal**
CEO	Board Member	Board Member



North America	South America	Europe	Asia	Australia	Africa
Atlanta Houston Vancouver	Rio de Janeiro Santiago	Bergen (HQ) Gothenburg Hamburg* Livorno Rotterdam	Shanghai Singapore Manila	Melbourne	Cape Town

Note: As of January 2022, G2 Ocean no longer has local presence in Hamburg, Germany.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period (USD 1 000)	Note	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Total revenues	3,4	1 485 293	1 117 429
Operating expenses			
Voyage related	4,5	692 586	559 882
Time charter rental	6,8	181 263	52 601
Depreciation and amortization	15,16	9 493	9 908
Selling, general & administrative	4,7,8,9	51 666	45 153
Income from operations before pool distribution		550 285	449 885
Pool distribution to Pool Participants	4,10	548 676	444 451
Income from operations		1 609	5 434
Non-operating income / (expenses):			
Interest income (expenses)		(542)	(717)
Other income and expenses, net	11	(1 061)	(5 092)
Income before income taxes		6	(375)
Income tax expense	12	333	1 532
Net income		(327)	(1 907)

G2 OCEAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets (USD 1 000)	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Fixed assets			
Intangible fixed assets			
Goodwill	15	1 087	4 675
Deferred tax assets	12	1 141	929
Total intangible fixed assets		**2 228**	**8 940**
Tangible fixed assets			
Property, plant and equipment	16	24 604	23 252
Total tangible fixed assets		**24 604**	**23 252**
Financial fixed assets			
Other non-current assets	23	124	659
Total financial fixed assets		**124**	**659**
Total fixed assets		**26 956**	**29 515**
Current assets			
Inventories	20	61 289	41 131
Trade receivables	21	81 973	58 882
Trade receivables with related parties	18	55	51
Related parties receivables	18	10 130	6 044
Accrued voyage revenue	22	17 125	13 286
Prepaid expenses		1 795	1 065
Other current assets	19	2 996	5 417
Cash and cash equivalents	24	5 087	6 003
Total current assets		**180 450**	**131 879**
Total assets		**207 406**	**161 394**

G2 OCEAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equity and Liabilities (USD 1 000)	Note	Dec 31, 2021	Dec 31, 2020
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital	25,26	7 134	7 134
Share premium reserve	25	20 990	20 990
Total paid-in equity		**28 124**	**28 124**
Other equity			
Other equity		(1 372)	1 226
Retained earnings		(12 496)	(12 169)
Total other equity		**(13 868)**	**(10 943)**
Total equity		**14 256**	**17 181**
Liabilities			
Provisions			
Pension obligations	27	2 727	2 821
Deferred tax liabilities	12	-	421
Total provisions		**2 727**	**3 242**
Other long-term liabilities			
Related parties payable	18	6 000	9 000
Other non-current liabilities	28	511	541
Total other long-term liabilities		**6 511**	**9 541**
Current liabilities			
Bank overdraft	29	15 230	14 036
Trade payable		17 388	10 168
Public duties payable		927	1 033
Tax payable	12	62	606
Related parties payable	18	4 708	7 742
Accrued liabilities	30	53 651	35 117
Deferred voyage revenue	22	85 726	54 884
Other current payables	31	6 220	7 844
Total short-term liabilities		**183 912**	**131 430**
Total liabilities		**193 150**	**144 213**
Total equity and liabilities		**207 406**	**161 394**

Bergen, March 10, 2022
The Board of Directors of
G2 Ocean Holding AS

Kristian Jebsen Chair	**Camilla Grieg** Vice Chair	**Hans Petter Aas** Board Member
Arthur English CEO	**Matthew Robert Cagienard Duke** Board Member	**Hans Olav Lindal** Board Member

G2 OCEAN

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	Number (Share capital)	Amount ($) (Share capital)	Additional paid-in capital ($)	Retained earnings ($)	Other equity ($)	Total Equity ($)
Balance at Jan 1, 2021	**30 000**	**7 134**	**20 990**	**(12 169)**	**1 226**	**17 181**
Net change in fair value of cash flow hedges	-	-	-	-	(2 320)	(2 320)
Translation adjustment	-	-	-	-	(336)	(336)
Net income	-	-	-	(327)	-	(327)
Other	-	-	-	-	58	58
Balance at Dec 31, 2021	**30 000**	**7 134**	**20 990**	**(12 496)**	**(1 372)**	**14 256**

For the period Jan 1 – Dec 31, 2020 (USD 1 000)	Number (Share capital)	Amount ($) (Share capital)	Additional paid-in capital ($)	Retained earnings ($)	Other equity ($)	Total Equity ($)
Balance at Jan 1, 2020	**30 000**	**7 134**	**20 990**	**(10 262)**	**2 486**	**20 348**
Net change in fair value of cash flow hedges	-	-	-	-	(907)	(907)
Translation adjustment	-	-	-	-	(229)	(229)
Net income	-	-	-	(1 907)	-	(1 907)
Other	-	-	-	-	(124)	(124)
Balance at Dec 31, 2020	**30 000**	**7 134**	**20 990**	**(12 169)**	**1 226**	**17 181**

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CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows for as per (USD 1 000)	Note	Dec 31, 2021	Dec 31, 2020
Cash flows from operating activities			
Net income		(327)	(1 907)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	15,16	9 493	9 740
Net (gains) losses from disposals	16	(293)	-
Financial cost		617	763
Changes in operating assets and liabilities			
Trade receivables	21	(23 091)	(11 360)
Inventories	20	(20 158)	13 175
Prepaid expenses and other assets		4 952	255
Accrued voyage revenue	22	(3 839)	(1 230)
Deferred voyage revenue	22	30 842	1 014
Accrued liabilities	30	18 534	(15 978)
Trade payable		7 220	(2 557)
Payments to and from related parties	10,18	(7 124)	3723
Other payables		(2 540)	(1 446)
Other, net		(6 275)	330
Net cash provided / (used) by operating activities		**8 011**	**(5 478)**
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(7 401)	(3 590)
Disposals of fixed assets	16	394	183
Net cash provided / (used) by investing activities		**(7 007)**	**(3 407)**
Cash flows from financing activities			
Proceeds from bank overdraft facility	29	1 194	13 530
Repayment of loan to related parties	18	(3 000)	(3 000)
Payment of finance costs		(617)	(763)
Net cash provided / (used) by financing activities		**(2 423)**	**9 767**
Net increase / (decrease) in cash and cash equivalents		(1 419)	882
Effect of exchange rate changes on the cash in the year		503	381
Cash and cash equivalents at the beginning of the year		6 003	4 740
Cash and cash equivalents at the end of the year		**5 087**	**6 003**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF THE BUSINESS

These are the consolidated financial statements of G2 Ocean Holding AS ("Company" or "G2 Ocean") and its subsidiaries. Investments in companies in which we control, or directly or indirectly hold more than 50% of the voting control of, are consolidated in the financial statements. Investments in entities which the we do not control, but are considered to exert significant influence, generally by owning more than 20% but less than 50% of the voting shares, are accounted for under the equity method.

G2 Ocean is a leading dry bulk carrier of forest and other unitized products. The Company is a joint venture of two of the world's leading breakbulk and bulk shipping companies and combines the owners' global resources and expertise to operate the combined fleet of open hatch, semi open hatch and conventional bulk vessels. As of December 31, 2021, G2 Ocean operates a core fleet of 89 open hatch vessels and 9 conventional bulk vessels, In addition, on average 24 vessels has been chartered from third parties on short-term contracts during 2021. The network of worldwide offices provides a strong presence on every continent and is best placed to serve the customer's needs locally and globally.

G2 Ocean operates the world's largest fleet of open hatch gantry crane and jib crane vessels with box-shaped holds to maximize stowage and minimize cargo handling. The core fleet of 89 vessels, mainly of similar design, provides flexibility to interchange vessels for quick scheduling response. The onboard cranes lifting up to 70 ton and provide freedom to load and discharge efficiently anywhere, whether quayside facilities are equipped, or not.

The uniformity of the majority of the fleet enables G2 Ocean to use the vessels interchangeably, which provides scheduling flexibility, minimizes ballast voyages and reduces costs.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles ("NGAAP").

2.2 Basis of Consolidation

The consolidated financial statements include the parent company G2 Ocean Holding AS, and all its subsidiaries. Subsidiaries are all entities in which a parent company directly or indirectly has a controlling interest. Controlling interest is normally gained when such company owns, directly or indirectly, more than 50% of the shares in the company and/or is capable of exercising actual control over the company. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of all subsidiaries are prepared for the same reporting period as the parent company.

All intercompany balances and transactions have been eliminated.

2.3 Estimates and assumptions

Preparation of financial statements according to generally accepted accounting principles requires management to use estimates and assumptions that affect the profit and loss account and the valuation of assets and liabilities, and disclosure of information about liabilities that, as of the balance sheet date, are not yet certain. Actual figures will generally differ from such estimates. Conditional losses which are likely to occur that can be quantified are expensed on a current basis. The Group uses estimates and assumptions in connection with the calculation of pension liabilities, the determination of accruals for contract losses and for losses on receivables, the calculation of risks related to contract fulfillment and the determination of fair market value for the purpose of assessing added values as well as impairment of assets.

2.4 Foreign Currency

The presentation currency for the Group is US dollar. Each entity in the Group determines its own functional currency in accordance with NGAAP and items included in the financial statements of each entity are measured using that functional currency.

G2 Ocean Holding's functional and reporting currency is the US Dollar. Assets and liabilities denominated in foreign currencies are translated to US Dollars using the rates of exchange at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated into US Dollars using the exchange rate on the date of the transaction. Exchange gains and losses on settlement or translation are included in Net income / (loss).

Assets and liabilities of foreign subsidiaries, whose functional currency is not the US Dollar, are translated using the rates of exchange at the balance sheet date. Revenues and expenses of foreign subsidiaries are translated at average exchange rates prevailing during the year. Exchange gains and losses arising from the translation of foreign subsidiaries are reported as a separate component of Other equity as a translation adjustment.

The cash flows from derivative instruments, which are accounted for as hedges of forecasted foreign currency denominated transactions, are classified in the statement of cash flows in a manner consistent with the underlying nature of the hedged transactions. Foreign currency transaction gains or losses are reported in other income and expense in the Consolidated Statement of Income.

2.5 Revenue and Voyage Related Expenses Recognition

2.5.1 Freight revenue

Freight revenues are recognized on a percentage of completed voyage method of accounting, based on the number of days completed and an estimate of freights that will be receivable for a voyage. All other revenues are recognized once the service has been performed.

G2 Ocean recognizes revenue from rendering of transportation services over time, because the customer simultaneously receives and consumes the benefits provided by the Company. G2 Ocean has decided that every voyage charter contract consist of a single performance obligation of transporting the cargo within a specific time period. Therefore, the performance obligation is met evenly as the voyage progresses and the freight revenue is recognized over time from load port to discharge port by measuring the progress complete fulfillment of the performance obligation(s) under the contract. Number of days sailed from load port compared to total estimated days until discharge port is used as a measure progress. The method applied is the one that most faithfully depicts our progress towards complete satisfaction of the performance obligation.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception or when changes in circumstances occur and is recognized as revenue if it is highly probable that there will not be a significant reversal of revenue in a future period. The Company is estimating demurrage revenue as a variable consideration when delays occur and the vessel is prevented from loading or discharging cargo within the stipulated laytime. The variable consideration based on contracted price terms and estimated excess time taken to discharge or load are being recognized as part of the freight service revenue over time for the remaining voyage (from the delay occurs to the discharge port).

2.5.2 Voyage related expenses

Voyage related expenses consist primarily of loading and discharging expenses, port and canal charges and fuel expenses. Voyage related expenses are recognized ratably over the length of voyages, based on the number of days completed and an estimate of the voyage related costs that will be payable for a voyage.

2.5.3 Balance Sheet items

The Balance Sheets reflect the deferred portion of revenues and expenses applicable to subsequent periods or the accrued portion of revenues and expenses applicable to the current period.

2.6 Classification of assets and liabilities

Current assets and short-term liabilities include items due less than one year from the balance sheet date, as well as items due more than one year from the balance sheet date, that are related to the operating cycle. Assets intended for permanent ownership or use and receivables with maturities exceeding one year from the balance sheet date are presented as fixed assets. Liabilities with maturity less than one year from the balance sheet date are classified as current. All other debt is classified as long-term debt. The first year's repayment of long-term debt is classified as current liabilities in the balance sheet.

2.7 Cash and Cash equivalents

All highly liquid investments with an original maturity of three months or less when purchased are considered cash equivalents.

2.8 Loans and receivables

Trade receivables, other receivables and long term receivables are presented net of allowances for doubtful balances. If trade accounts receivable become uncollectible, they are charged as an operating expense. Losses from uncollectible receivables are accrued when collection of the invoiced revenues is not assured. We make a judgment with regards to whether or not this should be recognized as income and if collection is not reasonably assured, no revenue will be recognized until cash has been received. These conditions are considered in relation to individual receivables or in relation to groups of similar types of receivables.

2.9 Inventories

Inventories are recorded at the lower of cost and net realizable value with cost determined using the first-in-first out ("FIFO") method.

2.10 Goodwill

Goodwill is initially measured at cost, being the excess of the consideration transferred over the net of identifiable assets acquired and liabilities assumed. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset.

2.11 Intangible assets

The costs 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 assets in question has been established.

2.12 Property, Plant and Equipment

Property, plant and equipment is recorded at historic cost, less accumulated depreciation and any impairment. Where an asset is constructed over an extended period and the Company is responsible for funding the construction, interest is capitalized into the cost of the asset.

2.13 Depreciation and amortization

Depreciation is charged on a straight-line basis, using rates calculated to write off the cost of property, plant and equipment to its estimated residual value over the following periods:

Item	Period
Machinery & equipment	Up to 12 years
Cars, furniture & fixtures	Up to 5 years
IT equipment & software	Up to 5 years
Goodwill	5 years

On scrapping or disposal of equipment or other fixed assets the difference between any proceeds received and the net book value of the respective asset is recognized as a gain or loss in the Income Statement.

Leasehold improvements are depreciated over the period of the lease.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts are not be recoverable. An impairment loss is recognized for the amount by which the assets'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 purpose of assessing impairment, assets are grouped at the lowest levels fro which there are separately identifiable cash flows.

2.14 Leases

Leasing are classified as operating leases or financial leases according to the terms of the agreement. A leasing agreement is classified as an operating lease when the lessor has most of the economic benefits and risks associated with the underlying asset.

Lease payments in respect of assets under operating leases are expensed in the period incurred, except where the lease payment is fixed over a number of periods, in which case the expense is calculated based on the average charge over the period for which the lease payment is fixed.

Leasing agreements are classified as financial leases when the main share of the economic benefits and risks associated with the underlying asset is with the lessee.

Assets acquired under capital leases are capitalized as property, plant and the corresponding liability is included in capital lease obligations. The amount capitalized is the lower of the fair value of the asset or the present value of future minimum lease payments. The capital value of the asset is depreciated over its useful live. Lease payments are treated as consisting of a capital element and interest cost, the capital element reducing the obligation to the lessor and the interest cost being expensed over the period of the lease.

2.15 Fair value

The guidance for fair value measurements applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The same guidance requires that assets and liabilities carried at fair value should be classified and disclosed in one of three categories based on the inputs used to determine its fair value.

Fair values of derivatives are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding currency rates, credit risk, bunker prices and other factors. Changes in assumptions or in market conditions could significantly affect these estimates.

2.16 Derivatives

Derivatives is an instrument whose fair value or cash flows are expected to offset changes in the fair value or cash flows of an underlying object (asset/liability).

The Company recognizes derivatives as either assets or liabilities on the balance sheet and measures them at fair value. As described in Note 14, gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for hedge accounting.

Cash flow hedging derivatives are recorded in the profit and loss account in the same period as the cash flow from the associated asset or physical contract and gains or losses in the fair value of the hedging instrument are immediately recognized in Other equity.

Where derivative instruments entered into by the Company do not qualify for hedge accounting, the movement in their fair value is recorded under the caption of Other income and expenses in the Statement of Income.

2.17 Pension Plans

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 recognized 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.

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.

Obligations for contributions to defined contribution plans are recognized as an expense in the Income Statement as incurred.

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior period. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

2.18 Taxes

Taxes in the Income Statement contain both payable tax of the year and changes in deferred tax / deferred tax asset.

Deferred tax /deferred tax assets are calculated on basis of temporary differences between accounting standards and tax legislation by the end of the fiscal year. The calculation is based on nominal tax rate. Tax-augmenting and tax-reducing temporary differences that can be reversed in the same period are balanced in the accounts. Deferred tax assets arise if there are net tax-reducing temporary differences which can be justified by the assumption of future profits. This year tax on ordinary result consist of net changes in deferred tax and deferred tax assets together with payable tax of the year and adjusted for any differences in provision previous years.

2.19 Cash flow statements

The statement of cash flows is presented using the indirect method.

NOTE 3 TOTAL REVENUES

All of G2 Ocean's revenues arise from international shipping. An analysis of revenue by origin of load port is as follows:

For the period (USD 1 000)	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
North America	184 266	187 178
South America	434 936	389 850
Europe	162 866	121 175
Africa	77 589	52 406
Australasia	57 091	53 580
Middle East and Asia	568 545	313 240
Total revenues	**1 485 293**	**1 117 429**

Load ports in the following countries each constituted more than 5% of the total cargo revenues reported in 2021: China 23.9% (2020: 15.5%), Brazil 22.2% (2020: 27.3%), Canada 7.1% (2020: 8.9%), Chile 6.2% (2020: 6.2%) and United States of America 5.3% (2020: 7.8%).

G2 Ocean's gross revenue has been disaggregated and presented in the table below:

For the period (USD 1 000)	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Revenue from contracts with customers	1 480 659	1 113 856
Other revenues	4 633	3 573
Gross revenues	**1 485 293**	**1 117 429**
Revenue from contracts with customers disaggregated by type of contracts:		
Charter of Affreightment contracts	677 187	610 918
Spot contracts	686 962	429 034
Time charter hire	116 510	73 904
Revenues from contracts with customers	**1 480 659**	**1 113 856**

No customers in the year ended December 31, 2021, individually accounted for 10% or more of the Company's revenues (2020: No customers).

NOTE 4 SEGMENT INFORMATION

The Company has two operating segments, Open Hatch and conventional Bulk which are managed separately with each segment representing a strategic business unit that operates in the shipping market.

Pricing of services and transactions between businesses segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transactions between operating gross segments. These transactions are eliminated in the consolidation.

The Company provide segment data for the revenues and cost as the reliability measurement criteria cannot be met for other items.

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	Open Hatch	Conventional Bulk	Eliminations	Total
Total revenues	1 400 001	92 525	(7 233)	1 485 293
Operating expenses				
Voyage related	688 174	4 412	-	692 586
Time charter rental	187 585	911	(7 233)	181 263
Depreciation and amortization	9 291	202	-	9 493
Selling, general & administrative	49 787	1 879	-	51 666
Income from operations before pool distribution	465 164	85 121	-	550 285
Pool distribution to Pool Participants	463 780	84 896	-	548 676
Income from operations	1 384	225	-	1 609
Non-operating income / (expenses)	(1 545)	(58)	-	(1 603)
Income before income taxes	(161)	167	-	6
Income tax expense	321	12	-	333
Net income	(482)	155	-	(327)

For the period Jan 1 – Dec 31, 2020 (USD 1 000)	Open Hatch	Conventional Bulk	Eliminations	Total
Total revenues	1 040 918	77 114	(603)	1 117 429
Operating expenses				
Voyage related	544 948	14 934	-	559 882
Time charter rental	51 315	1 890	(603)	52 601
Depreciation and amortization	9 680	228	-	9 908
Selling, general & administrative	42 896	2 258	-	45 153
Income from operations before pool distribution	392 079	57 806	-	449 885
Pool distribution to Pool Participants	386 793	57 658	-	444 451
Income from operations	5 286	147	-	5 434
Non-operating income / (expenses)	(5 518)	(290)	-	(5 809)
Income before income taxes	(232)	(143)	-	(375)
Income tax expense	1 456	77	-	1 532
Net income	(1 688)	(220)	-	(1 907)

NOTE 5 VOYAGE RELATED EXPENSES

Voyage related expense consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Bunker expenses	261 343	239 083
Cargo handling expenses	235 905	159 136
Port expenses	124 349	115 572
Insurance premiums and deductibles	1 070	1 216
Other voyage related expenses	69 919	44 875
Total	692 586	559 882

NOTE 6 TIME CHARTER RENTAL EXPENSES

The time charter rental expenses consist of expenses for operating leases. Time charter is an arrangement for hire of a vessel. These arrangements vary in form and way of payment and period of hire may differ from time to time. The time charter rental expenses for the twelve months ending December 2021 is USD 181.3 million (2020: USD 52.6 million).

NOTE 7 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Staff expenses	40 326	35 329
Office expenses	2 413	2 657
IT and communication	3 323	2 630
Professional fees	4 694	3 490
Travel & marketing	910	1 048
Total	51 666	45 153

Staff expenses consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Salaries	27 367	23 302
Payroll taxes	2 629	2 743
Pension expenses	2 342	3 175
Other personnel expenses including recharge of salaries and other personnel charges	7 988	6 109
Total	40 326	35 329

The average number of staff in 2021 was 310 (2020: 345).

Remuneration to the Chief Executive Officer and the Board of Directors:

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	CEO	Board of Directors
Remuneration	1 477	194
Pension	68	-
Other allowances	6	-
Total remuneration	**1 551**	**194**

For the period Jan 1 – Dec 31, 2020 (USD 1 000)	CEO	Board of Directors
Remuneration	1 041	3
Pension	63	-
Other allowances	6	-
Total remuneration	**1 110**	**3**

No loans or loan security have been given to the Chief Executive Officer or the Board of Directors.

The Chief Executive Officer is entitled to 12 months salary, upon termination of employment.

NOTE 8 OPERATING LEASES

Future minimum lease payments in respect of operating leases as of December 31, 2021, are as follows:

As per Dec 31, 2021 (USD 1 000)	Offices and cars	Vessels	Total
2022	1 225	86 753	87 978
2023	999	13 095	14 094
2024	717	-	717
2025	683	-	683
2026	552	-	552
Thereafter	233	-	233
Total	**4 410**	**99 848**	**104 258**

NOTE 9 AUDITOR'S REMUNERATION

The following auditor's remuneration is included in the selling, general and administrative expenses:

For the period (USD 1 000)	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Statutory audit (excluding VAT)	227	219
Tax advisory services	2	9
Other non-audit services	18	3
Total	**247**	**231**

NOTE 10 RELATED PARTY TRANSACTIONS

In the normal course of the conduct of its business, the Company enters into a number of transactions with related parties. Related parties of the Company include G2 Ocean Holding AS' owners, Gearbulk Holding AG and Grieg Shipholding AS including subsidiaries and affiliates of Gearbulk Holding AG and Grieg Shipholding AS, affiliates of the Company, principal owners of the Company, including close family members and companies controlled by those owners, and management of the Company and companies in which the Company can significantly influence the operating and financial policies.

10.1 Gearbulk

During 2021 pool distribution related to Gearbulk vessels amounted to USD 334.5 million (2020: USD 277.5 million), of which USD 304.0 million (2020: USD 251.3 million) were related to the Open Hatch segment and USD 30.5 million (2020: USD 26.2 million) were related to the conventional Bulk segment.

As of December 31, 2021, 3 Bulk vessels (2020: 7) and 58 Open Hatch vessels (2020: 56) were operated in the G2 Ocean pool on behalf of Gearbulk at a variable rate per day. In addition, one bulk vessel was commercially operated by G2 Ocean on a pay as you earn basis (2020: one open hatch vessel).

The Company has an arrangement with Gearbulk for the provision of certain chartering, operation and support services. Costs recognized from Gearbulk in respect of these services for 2021 were USD 4.9 million (2020: USD 3.9 million). Revenues recognized from Gearbulk in respect of the services for 2021 were USD 4.9 million (2020: USD 3.6 million).

All such transactions were completed on an arm's length basis.

10.2 Grieg

During 2021 Pool distribution related to Grieg vessels amounted to USD 214.1 million (2020: USD 167.0 million), of which USD 159.7 million (2020: USD 135.6 million) were related to the Open Hatch segment and USD 54.4 million (2020: USD 31.5 million) were related to the conventional Bulk segment.

As of December 31, 2021, 4 Bulk vessels (2020: 10) and 31 Open Hatch vessels (2020: 31) were operated in the G2 Ocean pool on behalf of Grieg at a variable rate per day. In addition, one bulk vessel was commercially operated by G2 Ocean on a pay as you earn basis (2020: nil vessels).

The Company has an arrangement with Grieg for the provision of certain chartering, operation and support services. Costs recognized from Grieg in respect of these services for 2021 were USD 3.1 million (2020: USD 1.8 million). Revenues recognized from Grieg in respect of the services for 2021 were USD 2.6 million (2020: USD 1.9 million).

All such transactions were completed on an arm's length basis.

10.3 Advokatfirmaet Thommessen AS ("Thommessen")

A member of the Board of Directors of the Company is also a partner of the Norwegian law firm Thommessen. During 2021, the Company paid USD 142 857 (2020: USD 51 639) to Thommessen for services provided. All such transactions were completed on an arm's length basis.

NOTE 11 OTHER INCOME AND EXPENSE

Other income and expense consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Net foreign exchange loss / (gain)	806	4 573
Other financial expenses	255	519
Total	**1 061**	**5 092**

NOTE 12 TAXES

The Company has considered its uncertain tax positions and is not presently aware of any uncertain tax positions requiring material adjustment in the accounts. However, the Company has operations in a number of overseas jurisdictions, and these operations are required to comply with relevant local tax legislation, for example with respect to residency, transfer pricing and the application of indirect taxes. The Company seeks to ensure compliance with the relevant local tax legislation and takes professional advice as appropriate. The Company believes that the positions it takes meet "the more likely than not" criterion (required by relevant accounting guidance) to be sustained upon a future tax examination. However, in certain aspects there is a degree of inherent subjectivity in the assessment of the positions taken and there can be no assurance that the relevant local tax authority would agree with the Company's position, and as a result, material adjustments could arise in the future.

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Tax expense consists of		
Tax payable on taxable income Norway	1	462
Tax payable on taxable income Overseas	461	758
Change in deferred tax Norway	(118)	688
Change in deferred tax Overseas	(11)	(376)
Tax expense (income)	**333**	**1 532**
Changes in deferred tax included in Other equity	(654)	(256)
Total	**(321)**	**1 276**

The Company and its Norwegian subsidiaries pay income and capital tax in Norway. All other current tax represents income tax from certain of the Company's overseas subsidiaries.

At December 31, 2021, the Company has USD 0.2 million in tax losses carried forward (basis for deferred tax asset) in Norway (2020: 0.0 USD million). In overseas jurisdictions the tax loss carried forward amounts to USD 2.8 million (2020: USD 3.3 million). Deferred tax assets recognized in respect of these losses amount to USD 0.5 million (2020: USD 0.6 million).

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Deferred tax		
Goodwill	(880)	(499)
Provision	(891)	(915)
Receivables	(509)	(695)
Fixed assets	3 101	3 158
Pension	(3 056)	(3 027)
Financial instruments	(314)	2 660
Tax loss carried forward	(3 025)	(3 255)
Tax loss carried forward, not recognized	1 217	1 178
Basis for deferred tax liability / (deferred tax asset)	(4 357)	(1 395)
Deferred tax asset	1 141	929
(Deferred tax liability)	-	(421)

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Tax payable consists of		
Profit before tax subject to ordinary income tax	6	(375)
Permanent differences	(2 088)	4 524
Changes in differences included in the basis for deferred / tax assets	2 962	(1 776)
Basis of tax charge for the year	**880**	**2 373**
Current tax payable of net income	462	1 220
Tax prepaid	(400)	(614)
Tax payable in accounts	**62**	**606**

NOTE 13 FAIR VALUE

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

I. Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of measurement date.
II. Level 2: Significant other observable inputs other than Level 1 such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
III. Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate fair value:

Derivatives

The fair value of the derivatives are based upon quotations obtained from third party banks or brokers, or valuation techniques, using observable market data as of the measurement date (Level 2). Our derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair values of derivatives are determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include forward rates, prices and indices to generate continuous yield or curves and volatility factors to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including market transactions and third-party pricing services.

Cash and cash equivalents

The fair value of the cash and cash equivalents are based upon the carrying value of cash and cash equivalents, which are highly liquid and approximate fair value (Level 1).

As of December 31, 2021 and 2020, the aggregate fair value of the assets and liabilities measured at fair value was as follows:

As per Dec 31, 2021 (USD 1 000)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Cash and cash equivalents	5 087	-	-	5 087
Other current assets				
Derivatives	-	2 105	-	2 105
Other non-current assets				
Derivatives	-	-	-	-
Financial liabilities				
Other current payables				
Derivatives	-	2 418	-	2 418
Other non-current liabilities				
Derivatives	-	-	-	-

As per Dec 31, 2020 (USD 1 000)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Cash and cash equivalents	6 003	-	-	6 003
Other current assets				
Derivatives	-	4 304	-	4 304
Other non-current assets				
Derivatives	-	525	-	525
Financial liabilities				
Other current payables				
Derivatives	-	2 155	-	2 155
Other non-current liabilities				
Derivatives	-	14	-	14

There have been no transfers between different levels in the fair value hierarchy in 2021 and 2020.

As of December 31, 2021 and 2020, the aggregate carrying value, fair value and gain or loss was as follows:

As per Dec 31, 2021 (USD 1 000)	Carrying Values ($)	Fair Values ($)	Gain / (Loss)
Derivative instruments			
Foreign exchange forward contracts	(1 324)	(1 324)	(1 324)
Fuel future purchase contracts	1 010	1 010	1 010

As per Dec 31, 2020 (USD 1 000)	Carrying Values ($)	Fair Values ($)	Gain / (Loss)
Derivative instruments			
Foreign exchange forward contracts	2 319	2 319	2 319
Fuel future purchase contracts	341	341	341

As of December 31, 2021 and 2020 the derivative instruments as presented in the tables above qualifies for hedge accounting and the gain / (loss) are included in the Other equity in the Income Statement.

NOTE 14 DERIVATIVES

All derivatives are recognized on the balance sheet at their fair value. On the date that the Company enters into a derivative contract, it designates the derivative as either:

IV. A hedge of the fair value of a recognized asset or liability (a “fair value” hedge);

V. A hedge of (a) a forecasted transaction, (b) the variability of cash flows that are to be received or paid in connection with a recognized asset or liability or (c) an unrecognized firm commitment (a “cash flow” hedge);

VI. A foreign-currency fair-value or cash flow hedge (a “foreign currency” hedge);

VII. A hedge of a net investment in a foreign operation: or

VIII. An instrument that is held for trading or non-hedging purposes (a “trading” or “non-hedging” instrument).

The Company in general enters into forward foreign exchange contracts, fuel rate swap agreements and options and less frequently, derivatives such as forward freight agreements, freight options and fuel purchase options, to manage its exposure to fluctuations in currency rates, the market price of fuel, the market price of time charter freight rates and voyage charter freight rates. Certain forward foreign exchange contracts and fuel rate swap agreements are designated as cash flow hedges and where they meet the criteria for hedge accounting, each is accounted for accordingly as follows.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are reported in the statement of income. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash flow hedge, to the extent that the hedge is effective, are recorded in other comprehensive income, until earnings are affected by the variability of cash flows of the hedged transaction. Any hedge ineffectiveness (which represents the amount by which the changes in the fair value of the derivative exceed the variability in the cash flows of the forecasted transaction) is recorded in current-period earnings.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash flow, or foreign-currency hedges to (1) specific assets and liabilities on the balance sheet or (2) specific forecast or committed transactions. The Company also formally assesses (both at the hedge’s inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. When it is determined that a derivative is not (or has ceased to be) highly effective as a hedge, the Company discontinues hedge accounting prospectively.

The Company discontinues hedge accounting prospectively when:

- it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item (including hedged items such as firm commitments or forecasted transactions),
- the derivative expires or is sold, terminated, or exercised,
- it is no longer probable that the forecasted transaction will occur,
- a hedged firm commitment no longer meets the definition of a firm commitment, or
- the Company determines that designating the derivative as a hedging instrument is no longer appropriate.

The Company discontinues hedge accounting when it is no longer probable that the forecasted transaction or firm commitment will occur on the original date or within a two-month window either side of this date. If the hedge is de-designated, the gain or loss accumulated to date on the derivative remains in Accumulated other comprehensive income and is reclassified into the Income Statement when the transaction affects earnings. If the hedge is not de-designated, the gain or loss accumulated to date on the derivative is recognized immediately in the Income Statement. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company will carry the derivative at its fair value on the balance sheet, recognizing changes in the fair value in current-period earnings.

14.1 Foreign Currency Management

The Company maintains a foreign-currency risk-management strategy that uses derivative instruments to protect its interests from unanticipated fluctuations in earnings and cash flows that may arise from volatility in currency exchange rates. Movements in foreign-currency exchange rates pose a risk to the Company's operations and competitive position, since changes in exchange rates may affect the profitability, cash flow, and business and or pricing strategies of competitors. These movements affect transactions that involve operating costs incurred in foreign currencies. The Company uses foreign currency forward exchange contracts to hedge these risks.

The notional amount of the foreign currency forward exchange contracts entered into during 2021 is USD 123.9 million (2020: USD 67.4 million).

As of December 31, 2021, the fair value of aggregate foreign currency forward exchange contracts held on the balance sheet was a net unrealized loss of USD 1.3 million (2020: net unrealized gain of USD 2.3 million), of which USD 0.9 million (2020: USD 3.8 million) was recorded within Other current assets, USD 0.0 million (2020: USD 0.5 million) was recorded within Other non-current assets and USD 2.2 million (2020: USD 2.0 million) within Other current payables and USD 0.0 million was recorded within Other non-current liabilities (2020: USD 0.0 million).

As of December 31, 2021, these contracts had maturities of up to two years and a notional principal amount of USD 109.4 million (2020: USD 86.5 million).

14.2 Fuel Cost Management

The Company maintains a fuel-cost risk-management strategy that uses derivative instruments to minimize significant, unanticipated fluctuations in earnings that may arise from volatility in fuel prices. The Company enters into forward contracts and options relating to fuel. The Company has applied hedge accounting to certain of these arrangements during the year ending December 31, 2021.

As of December 31, 2021, the fair value of aggregate fuel rate swap agreements held on the balance sheet was a net unrealized gain of USD 1.0 million (2020: net unrealized gain of USD 0.3 million), of which USD 1.2 million (2020: USD 0.5 million) was recorded in Other current assets and USD 0.0 million (2020: USD 0.0 million) was recorded within Other non-current assets and USD 0.2 million (2020: USD 0.1 million) was recorded within Other current payables and USD 0.0 million (2020: USD 0.0 million) was recorded within Other non-current liabilities. As of December 31, 2021, these contracts had maturities of up to one year and a notional principal quantity of 20 050 metric tons (2020: 5 550 metric tons). The notional value of these contracts is USD 10.2 million (2020: USD 1.8 million).

14.3 Credit Risk

By using derivative financial instruments to hedge exposures to changes in exchange rates and fuel costs, the Company exposes itself to credit risk. Credit risk is the risk that the counterparty might fail to fulfill its performance obligations under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, which creates repayment risk for the Company. When the fair value of a derivative contract is negative, the Company owes the counterparty and, therefore, does not assume repayment risk. The Company's hedging policy establishes maximum limits for each counterparty.

In the current economic environment, the Company is actively monitoring all of its material counterparty risks.

14.4 Fair Values

The estimated fair values of derivatives used to hedge or modify the Company's risks will fluctuate over time. These fair values should not be viewed in isolation, but rather in relation to the fair values of the underlying hedged transactions and the overall reduction in the Company's exposure to adverse fluctuations in foreign exchange rates and fuel prices.

The Company has adopted the requirements to disclose fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that as, unobservable inputs) (level 3)

The Company has deemed the fair value measurement for each asset or liability held at fair value to be level 2.

The following tables present the aggregate notional principal amounts, carrying values, fair values and maturities of the Company's financial instruments as of December 31, 2021 and as of December 31, 2020 (See Notes 19, 23, 28 and 31):

As per Dec 31, 2021 (USD 1 000)	Notional Principal Amounts ($)	Carrying Values ($)	Fair Values ($)	Maturity
Derivative instruments				
Foreign exchange forward contracts	109 405	(1 324)	(1 324)	2022
Fuel future purchase contracts	10 216	1 010	1 010	2022

As per Dec 31, 2020 (USD 1 000)	Notional Principal Amounts ($)	Carrying Values ($)	Fair Values ($)	Maturity
Derivative instruments				
Foreign exchange forward contracts	86 453	2 319	2 319	2021 - 2022
Fuel future purchase contracts	1 846	341	341	2021

The carrying value of financial assets and liabilities approximates fair value. The fair value of the financial derivative instruments is the estimated amount, based upon quotations obtained from third party banks or brokers, or valuation techniques, which the Company would have received or would have had to pay if the financial instruments had been terminated or sold at the reporting date.

The following tables present maturities of notional principal amounts of derivative instruments held as of December 31, 2021 and as of December 31, 2020:

As per Dec 31, 2021 (USD 1 000)	Forward currency purchase ($)	Fuel purchase contracts ($)	Fuel purchase contracts (MT)
2022	109 405	10 216	20 050
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
Thereafter	-	-	-
Total	109 405	10 216	20 050

As per Dec 31, 2020 (USD 1 000)	Forward currency purchase	Fuel purchase contracts	Fuel purchase contracts (MT)
2021	77 325	1 846	5 550
2022	9 128	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
Thereafter	-	-	-
Total	86 453	1 846	5 550

Metric ton (MT)

NOTE 15 GOODWILL

The Open Hatch and Bulk, chartering and operational activities were acquired from Gearbulk and Grieg on May 2, 2017 for a combined purchase price of USD 86.0 million. The fair value of the identified assets and liabilities in the transaction amounted to USD 68.1 million, resulting in a goodwill of USD 17.9 million.

The goodwill is allocated to the employees, corporate culture and synergies, such as optimization of fleet performance, vessel scheduling, cargo handling and cost efficiencies in the onshore organization. These can be realized in connection with the establishment of the Joint Venture and the acquisition of the subsidiaries and the Chartering and Operational activities, assets and liabilities. As of December 31, 2021, there is no accumulated impairment loss recognized.

(USD 1 000)	Open Hatch	Conventional Bulk	Total
Goodwill			
Historical cost Jan 1, 2021	16 836	949	17 785
Additions	-	-	-
Currency translation	(12)	(1)	(13)
Historical cost Dec 31, 2021	16 824	948	17 772
Amortization for the year	3 385	191	3 575
Accumulated amortization	15 827	858	16 685
Goodwill Dec 31, 2021	997	90	1 087

(USD 1 000)	Open Hatch	Conventional Bulk	Total
Goodwill			
Historical cost Jan 1, 2020	16 810	947	17 757
Additions	-	-	-
Currency translation	26	2	28
Historical cost Dec 31, 2020	16 836	949	17 785
Amortization for the year	3 385	191	3 575
Accumulated amortization	12 443	667	13 110
Goodwill Dec 31, 2020	4 393	282	4 675

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following amounts:

(USD 1 000)	Machinery & Equipment	Cars, furniture & fixtures	IT Equipment & software	Total
Cost				
Balances as of Jan 1, 2021	39 968	1 543	2 416	43 927
Reclassification of assets	(3)	(17)	19	-
Additions	7 073	135	194	7 402
Disposal	(94)	(309)	(66)	(469)
Foreign exchange differences	(60)	(52)	(78)	(190)
Balances as of Dec 31, 2021	46 884	1 301	2 486	50 670
Depreciation and amortization				
Accumulated depreciation as of Jan 1, 2021	(17 390)	(1 105)	(2 181)	(20 676)
Reclassification of assets	3	7	(10)	–
Depreciations	(5 520)	(194)	(204)	(5 918)
Disposals	33	273	61	367
Foreign exchange differences	23	37	101	161
Accumulated depreciations as of Dec 31, 2021	(22 851)	(982)	(2 233)	(26 066)
Net carrying value Jan 1, 2021	22 579	439	234	23 252
Net carrying value Dec 31, 2021	24 033	319	252	24 604

(USD 1 000)	Machinery & Equipment	Cars, furniture & fixtures	IT Equipment & software	Total
Cost				
Balances as of Jan 1, 2020	41 504	1 423	1 270	44 197
Reclassification of assets	(4 562)	1671	2891	-
Additions	3 484	20	86	3 590
Disposal	(171)	(1 565)	(1 910)	(3 646)
Foreign exchange differences	(287)	(7)	80	(214)
Balances as of Dec 31, 2020	39 968	1 543	2 416	43 297
Depreciation and amortization				
Accumulated depreciation as of Jan 1, 2020	(16 793)	(362)	(638)	(17 792)
Reclassification of assets	4 791	(1 909)	(2 882)	-
Depreciations	(5 531)	(330)	(471)	(6 332)
Disposals	50	1 519	1 894	3 463
Foreign exchange differences	93	(23)	(85)	(15)
Accumulated depreciations as of Dec 31, 2020	(17 390)	(1 105)	(2 181)	(20 676)
Net carrying value Jan 1, 2020	24 711	1 061	632	26 405
Net carrying value Dec 31, 2020	22 579	439	234	23 252

16.1 Depreciation and amortization

The depreciation and amortization charge for 2021 was USD 5.9 million. In addition there was a loss on disposal and scrapping of USD 0.1 million (2020: USD 6.3 million in addition to a loss on disposal and scrapping of USD 0.2 million).

16.2 Impairment

There was no impairment loss in 2021.

NOTE 17 SUBSIDIARIES

As of December 31, 2021, the following subsidiaries are included in the consolidated accounts.

Company name	Country of registration	Ownership shares	Voting Shares
G2 Ocean AS	Norway	100%	100%
G2 Ocean Brazil Ltda	Brazil	100%	100%
G2 Ocean Ltd	Bermuda	100%	100%
G2 Ocean Ltd ROHQ	The Philippines	100%	100%
G2 Ocean US Inc.	United States	100%	100%
G2 Ocean Sweden AB	Sweden	100%	100%
G2 Ocean Shipping Canada Ltd	Canada	100%	100%
G2 Ocean Netherlands BV	The Netherlands	100%	100%
G2 Ocean Singapore Pte Ltd	Singapore	100%	100%
G2 Ocean Italy Srl	Italy	100%	100%
G2 Ocean Australia Pty Ltd	Australia	100%	100%
G2 Ocean Chile SpA	Chile	100%	100%
G2 Ocean South Africa Pte Ltd	South Africa	100%	100%
G2 Ocean (Shanghai) Company Limited	China	100%	100%

NOTE 18 RELATED PARTIES

As at December 31, the following amounts are due from/to related parties and affiliates of the Company:

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Trade receivable with related parties		
Gearbulk Pool Ltd	55	51
Total	55	51

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Related parties receivables (current)		
Gearbulk Pool Ltd	1 890	1 334
Gearbulk Shipowning Ltd	3 830	2 289
Gearbulk Shipping AS	793	23
Gearbulk Terminais do Brasil Ltda	877	337
Gearbulk AG	37	40
Gearbulk Norway AS	47	14
Gearbulk Shipping Investment Ltd	1	16
Gearbulk Shipping Singapore Pte Ltd.	2	1
Grieg Star 2017 AS	239	111
GriegMaas Ultramax AS	27	20
Grieg Shipping II AS	570	436
Grieg Star OH Pool AS	1 279	1 092
Grieg International II AS	172	267
GriegMaas Supramax AS	-	48
Grieg Star Bulk AS	366	16
Total	10 130	6 044

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Related parties payables (current)		
Gearbulk Pool Ltd	2 589	4 233
Gearbulk Norway AS	8	-
Gearbulk Management Switzerland AG	94	96
Gearbulk UK Ltd	175	289
Gearbulk Shipping Singapore Pte Ltd.	38	34
Gearbulk Maritima Ltda	100	110
Gearbulk Shipowning Ltd	6	11
Gearbulk Shipping AS	-	212
Gearbulk Terminais do Brasil Ltda	630	103
Grieg Star Bulk AS	1	1 464
Grieg International II AS	-	13
Grieg Shipbroker AS	10	8
Grieg Shipholding AS	1 056	1 058
Grieg Shipping II AS	1	107
Grieg Star 2017 AS	-	4
Total	4 708	7 742

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Related party payables (non-current)		
Gearbulk Pool Ltd	3 900	5 850
Grieg Shipholding AS	2 100	3 150
Total	6 000	9 000

Related parties payables (current) above includes short term portion of the long term debt to related parties. Additional information is provided in section 18.1.

18.1 Long Term Debt

In May 2019, a long term loan of an aggregate of USD 19.8 million was assumed from G2 Ocean Holding AS' owners Gearbulk and Grieg, replacing the seller credit issued in connection with the start up of G2 Ocean in 2017. The long term loan amortizing until 2024 has a coupon of 4.3% per year, payable bi-annually in arrears.

Aggregated amount of related party long term debt maturities as of December 31, 2021:

As per Dec 31, 2021 (USD 1 000)	Gearbulk Pool Ltd	Grieg Shipholding AS	Total
2022	1 950	1 050	3 000
2023	1 950	1 050	3 000
2024	1 950	1 050	3 000
2025	-	-	-
Thereafter	-	-	-
Total	5 850	3 150	9 000

18.2 Other

Loans to directors from G2 Ocean as of December 31, 2021, amounted to nil (2020: nil). Loans to employees amounted to nil (2020: nil).

NOTE 19 OTHER CURRENT ASSETS

Other current assets consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2021	Dec 31, 2020
Fair value of derivative instruments	13,14	2 105	4 304
Value added taxes receivables		580	782
Other current assets		311	331
Total		2 996	5 417

NOTE 20 INVENTORIES

Inventories consist of the following amounts:

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Bunkers	58 519	37 547
Consumables and other inventories	2 770	3 584
Total	61 289	41 131

There was no impairment of inventories in 2021.

NOTE 21 TRADE RECEIVABLES

Trade receivables consists of the following amounts:

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Trade receivables	82 499	59 600
Loss provision	(526)	(718)
Total	81 973	58 882

All trade receivables and 100% of the loss provision is related to revenue from contract with customers.

As at December 31, the ageing analysis of trade receivables are as follows:

As per (USD 1 000)	Total	Current	1-30 days	31-60 days	61-90 days	> 91 days
2021	82 499	62 012	17 178	2 252	419	638
2020	59 600	39 736	14 668	4 080	37	1 079

NOTE 22 CONTRACT ASSETS AND CONTRACT LIABILITIES

For the period (USD 1 000)	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Accrued voyage revenue	17 125	13 286
Contract assets	**17 125**	**13 286**
Deferred voyage revenue	85 726	54 884
Contract liabilities	**85 726**	**54 884**

22.1 Contract assets

Contract assets are recognized revenue for freight services partly satisfied from voyages that have commenced but are not completed and invoices have not been issued as per December 31. Contract assets are reclassified to receivables from contracts with customers once the freight service is being invoiced to the customer, normally at the latest within some weeks after the voyage is completed.

22.2 Contract liabilities

Contract liabilities are being recognized as revenue from contracts with customers within the completion of the voyage (at the latest a few months after the prepayment).

As per December 31, G2 Ocean has the following remaining performance obligations (amounts not disclosed):

- For voyages in progress, revenues related to the remaining freight services will be recognized as the voyage progresses. All voyages in progress will be completed within a few months.
- In addition the Company has freight commitments related to contracts of affreightment entered into for future shipments.

NOTE 23 OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2021	Dec 31, 2020
Fair value of derivative instruments	13,14	-	525
Other non-current assets		124	134
Total		**124**	**659**

NOTE 24 RESTRICTED CASH

Restricted cash consists of cash, which may only be used for certain purposes and is held under a contractual arrangement.

As of December 31, 2021, USD 0.8 million (2020: USD 0.8 million) was held in restricted accounts including restricted withholding tax account.

NOTE 25 SHARES

As of December 31, 2021, and as of December 31, 2020, the authorized share capital of G2 Ocean Holding AS comprises 30 000 shares of NOK 2 000 par, of which 30 000 are issued. No dividends were declared or paid during 2021 (2020:nil).

NOTE 26 SHAREHOLDERS

As of December 31, 2021, the Company is jointly controlled by its two shareholders, Gearbulk Holding AG and Grieg Shipholding AS. The table below shows the distribution of ownership as of December 31, 2021, between its two shareholders, both in terms of number of shares of common stock and percentages.

	Shares of common stock	
Shareholder	**Amount**	**Shares**
Gearbulk Holding AG	19 500	65%
Grieg Shipholding AS	10 500	35%
Total issued common shares	**30 000**	**100%**

NOTE 27 PENSION BENEFITS AND LIABILITIES

The Company funds pension for certain employees under either a defined contribution scheme or a defined benefit plan undertaken with various pension companies under several different plans.

The Company's Norwegian subsidiaries are bound to have a mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme. The Company's pension scheme meets the requirement of this Act.

27.1 Defined contribution plans

The Company funds pensions for certain employees under defined contribution personal pension policies undertaken with various pension companies under several different plans. Contributions are generally based on a percentage of gross salaries. Other subsidiaries also make contributions into various defined contribution pension arrangements including state schemes where relevant. Costs in respect of these pension arrangements for the period ending December 31, 2021 were USD 2.1 million (2020: USD 2.9 million).

27.2 Defined benefit plans

The Company has also defined benefit schemes and early retirement schemes. The defined benefit schemes are for certain employees with salaries above a specified threshold (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. The scheme covers 1 employee.

The early retirement scheme covers employees who were transferred from Grieg to G2 Ocean AS on May 2, 2017. 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. The pension scheme covered 16 employees as of December 31, 2021 (2020: 21).

The net periodic pension cost for defined benefit plans for the year December 31, 2021 were USD 0.2 mill (2020: USD 0.2 million). The total pension liabilities as of December 31, 2021 were USD 2.7 million (2020: USD 2.8 million).

NOTE 28 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2021	Dec 31, 2020
Fair value of derivative instruments	13,14	-	14
Other long term liabilities		511	527
Total		511	541

NOTE 29 BANK OVERDRAFT

As at December 31, 2021 the Company had a term revolving credit facility of USD 25.0 million (2020: USD 25.0 million) whereof USD 15.2 million (2020: USD 14.0 million) had been drawn. The facility is secured by a factoring pledge in the amount of USD 27.5 million of the outstanding accounts receivables with the exclusion of accounts receivables relating to certain specific customers. The aggregate carrying value of the pledged accounts receivable as per December 31, 2021 was USD 84.4 million (2020: USD 55.4 million).

As of December 31, 2021 the term revolving credit facility agreement contain a borrowing base clause, which require a prepayment of a portion of the outstanding borrowings should the drawn amount under the term revolving credit facility exceed 70% of the value of the pledged accounts receivable. Failure to comply with any of the covenants in the loan agreements could result in a default.

As of December 31, 2021 and December 31, 2020, G2 Ocean were in compliance with its covenants.

NOTE 30 ACCRUED LIABILITIES

Accrued liabilities consist of the following amounts:

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Accrued voyage related expenses	47 332	31 065
Accrued staff expenses	5 008	3 495
Accrued other expenses	1 311	557
Total	**53 651**	**35 117**

NOTE 31 OTHER CURRENT PAYABLES

Other current payables consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2021	Dec 31, 2020
Fair value of derivative instruments	13,14	2 418	2 155
Provisions for deductibles on cargo related insurance claims		2 611	4 044
Other payables		1 191	1 645
Total		**6 220**	**7 844**

NOTE 32 COMMITMENTS AND CONTINGENCIES

32.1 Contracts of Affreightment

The Company enters into contracts of affreightment, committing the Company to provide transportation services covering medium and long-term periods. To meet its existing and anticipated commitments the Company also charters in vessels for various term periods of up to 24-26 months.

33.2 Insurance

The Company maintains protection and indemnity ("P&I") jointly with Owners and charterers liability insurance coverage for its shipping activities, which include the legal liability and other related expenses of injury or death of crew, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances, and salvage, towing and other related costs. The Company's P&I insurance is arranged through three mutual protection and indemnity associations ("P&I Clubs") of which two are in Norway and one is in the United Kingdom. As a member of a P&I Club, the Company is subject to calls payable to the association based on the Company's claims record as well as the claims record of all other members of the association. The P&I Clubs operate a policy of reinsurance on certain insurance risks.

While liabilities to third parties are generally covered by P&I insurance, coverage ordinarily available for damage arising out of oil pollution is currently limited to USD 1 billion per incident per vessel for oil pollution damage, which covers response costs and third party claims as well as fines. The vessels operated by the Company do not transport crude oil or its products, but the vessels do carry significant quantities of diesel oil and other heavy oil used for fuel, which if spilled would cause pollution. Likewise, vessels commercially operated by the Company could be involved in a collision with a tanker vessel causing a spill of the tanker's cargo for which the Company could be liable.

G2 Ocean is a defendant in several lawsuits for damages and arbitration proceedings in foreign jurisdictions arising principally from contractual disputes, personal injury and property casualty claims. The Company believes that the resolution of such claims will not have a material adverse effect on the financial position, financial results or liquidity of the Company. As of December 31, 2021, and to the best of our knowledge to date, the Company does not have major claims pending under its liability insurance coverage which can adversely effect the financial position, financial results or liquidity.

The Company believes that its current insurance coverage provides adequate protection against the accident related risks involved in the conduct of its business and that it maintains appropriate levels of environmental damage and pollution insurance coverage, consistent with standard industry practice. However, there is no assurance that all risks are adequately insured against, that any particular claims will be paid or that the Company will be able to procure adequate insurance coverage at commercially reasonable rates in the future.

33.3 Environmental

The Company is subject to the laws of various jurisdictions and international conventions regarding the discharge of materials into the environment.

Many countries have ratified and follow the liability scheme adopted by the International Maritime Organization and set out in the International Convention on Civil Liability for Oil Pollution Damage 1969 ("CLC"), Bunker Oil Pollution Damage 2001 ("BCLC") and MARPOL. A 1992 Protocol to the CLC ("CLC92"), and a Supplementary Protocol, ("CLC2003"), have increased the liability limits of the CLC in several signatory countries. In addition, with effect from June 8, 2015, the limit of liability under the BCLC was increased by approximately 50%. The International Convention for the Prevention of Pollution from Ships (MARPOL) is the main international convention covering prevention of pollution by vessels from operational or accidental causes.

In jurisdictions where the CLC, CLC92, BCLC2001 or CLC2003 have not been adopted or do not apply for vessels not carrying oil in bulk as cargo or as bunkers, various legislative schemes or common law govern, and liabilities are imposed on the basis of fault or in a manner similar to the CLC, CLC92, BCLC2001 or CLC2003. Compliance is arranged via the vessel's P&I Club.

The Ballast Water Management Convention (BWM Convention) a treaty adopted by the International Maritime Organization (IMO) in order to help prevent the spread of potentially harmful aquatic organisms and pathogens in ships' ballast water. From September 8, 2017, ships must manage their ballast water so that aquatic organisms and pathogens are removed or rendered harmless before the ballast water is released into a new location.

The Hong Kong International Convention for the Safe and environmentally Sound Recycling of Ships (the Hong Kong Convention), was adopted in 2009, but is not yet enforced. The Convention is aimed at ensuring that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risks to human health, safety and to the environment.

The European Union (EU) Ship Recycling Regulation being largely based on the Hong Kong Convention, entered into force December 30, 2013. The regulation aims to prevent, reduce and minimize accidents, injuries and other negative effects on human health and the environment related to the recycling of ships flying the flag of European Union countries.

EU Monitoring, Reporting and Verification Regulation (MRV Regulation) on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, entered into force on July 1, 2015.

The International Maritime Organization (IMO) adopted a mandatory Fuel Oil Data Collection System (DCS) for international shipping, requiring ships to start collecting and reporting data to an IMO database from 2019.

For the BWM Convention, Hong Kong International Convention, EU) Ship Recycling Regulation, MRV Regulation and the Fuel Oil Data Collection System it is the vessel Manager's who have the formal responsibility to follow all above mentioned regulations are followed, and make sure the vessels are certified as required.

Further, the United States Oil Pollution Act of 1990 ("OPA '90"), states that any Company which is an operator of a vessel could be exposed to substantial strict liability, and in some cases unlimited liability, for removal costs and damages arising from a spill caused by one of its vessels into any of the waters of such jurisdiction (including, for example, US waters). Such a claim against the Company would enable claimants in certain jurisdictions to seize the assets of the operating Company located in that jurisdiction. At the time of a final judgment against the operating Company, such Company's assets in that jurisdiction, as well as in various other jurisdictions, could be exposed to seizure and sale in satisfaction of such judgment. The maximum amount of protection and indemnity ("P&I") coverage ordinarily available in the market against some of these environmental risks is USD 1 billion per incident per vessel. While the Company maintains such P&I coverage, there can be no assurance that such coverage would be sufficient to cover the costs of damages suffered by the Company.

OPA '90 expressly provides that individual states in the US are entitled to enforce their own pollution liability laws, even if inconsistent with or imposing greater liability than OPA '90. There is no uniform liability scheme among the states. Some states have OPA '90-like schemes for limiting liability to various amounts and some rely on fault-based remedies under common law, while others impose strict and unlimited liability on an owner or operator. Some states have also established their own requirements for financial responsibility. From January 1, 2021, the new law imposing increased penalties and fines was effective in California for ship sourced oil pollution damage in Californian State waters. The Company has been able, and believes that it will continue to be able, to comply with applicable state laws and regulations which are material to the conduct of its operations.

33.4 Freight taxes and other indirect taxes

The Company derives income from trade in numerous international jurisdictions, and this income may be subject to freight taxes or other indirect taxes. Where appropriate the Company recognizes income, expenses, assets or liabilities in respect of freight taxes or other indirect taxes in the financial statements. The Company takes legal and professional advice in seeking to ensure it is compliant with the tax legislation in the jurisdictions in which it operates. However, the operation of freight taxes and other indirect taxes within the context of international transportation is complex and continually evolving particularly in emerging markets. The Company takes various measures to address any potential exposure to freight taxes or other indirect taxes, including through its standard contractual terms of business. However, there can be no absolute assurance that these measures will fully protect the Company from potential exposure to such taxes or that the relevant tax authorities will agree with the tax positions the Company has taken and as such material adjustments may be required in the future.

NOTE 33 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Subsequent events have been reviewed from period end to issuance of the consolidated financial statement on March 10, 2022 and there are no material events.

FINANCIAL STATEMENTS G2 OCEAN HOLDING AS

INCOME STATEMENT

For the period (USD 1 000)	Note	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Total revenues		-	-
Operating expenses			
Selling, general & administrative	2,3	4	28
Income from operations		(4)	(28)
Non-operating income / (expenses):			
Interest income / (expense)		-	-
Other income and expenses, net	4	35	17
Income before income taxes		**31**	(11)
Income tax expense	5	1	-
Net income		**30**	(11)
Allocation of Net Income			
Transferred to / from Retained earnings		**30**	(11)

STATEMENT OF FINANCIAL POSITION

Assets (USD 1 000)	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Fixed assets			
Financial fixed assets			
Investments in subsidiaries	6	28 120	28 120
Total financial fixed assets		**28 120**	**28 120**
Current assets			
Cash and cash equivalents		43	3
Intercompany receivables		-	6
Other current assets		6	5
Total current assets		**49**	**14**
Total assets		**28 169**	**28 134**

OCEAN

STATEMENT OF FINANCIAL POSITION

Equity and Liabilities (USD 1 000)	Note	Dec 31, 2021	Dec 31, 2020
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital		7 134	7 134
Share premium reserve		20 990	20 990
Total paid-in equity		28 124	28 124
Other equity			
Other equity		-	-
Retained earnings		10	(20)
Total other equity		10	(20)
Total equity		28 134	28 104
Liabilities			
Current liabilities			
Intercompany payable		28	-
Tax payable		1	-
Accrued liabilities		6	30
Total short-term liabilities		35	30
Total liabilities		35	30
Total equity and liabilities		28 169	28 134

Bergen, March 10, 2022
The Board of Directors of
G2 Ocean Holding AS

Kristian Jebsen	**Camilla Grieg**	**Hans Petter Aas**
Chair	Vice Chair	Board Member
Arthur English	**Matthew Robert Cagienard Duke**	**Hans Olav Lindal**
CEO	Board Member	Board Member

STATEMENT OF CHANGES TO EQUITY

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	Number (Share capital)	Amount ($) (Share capital)	Additional paid in capital ($)	Retained earnings($)	Total Equity ($)
Balance at Jan 1, 2021	30 000	7 134	20 990	(20)	28 104
Net income	-	-	-	30	30
Balance at Dec 31, 2021	30 000	7 134	20 990	10	28 134

For the period Jan 1 – Dec 31, 2020 (USD 1 000)	Number (Share capital)	Amount ($) (Share capital)	Additional paid in capital ($)	Retained earnings($)	Total Equity ($)
Balance at Jan 1, 2020	30 000	7 134	20 990	(9)	28 115
Net income	-	-	-	(11)	(11)
Balance at Dec 31, 2020	30 000	7 134	20 990	(20)	28 104

STATEMENT OF CASH FLOWS

Cash flows as per (USD 1 000)	Note	Dec 31, 2021	Dec 31, 2020
Cash flows from operating activities			
Net income		30	(11)
Changes in operating assets and liabilities			
Accrued liabilities		(24)	(5)
Payments to and from related parties		33	(17)
Other current assets		1	3
Net cash provided / (used) by operating activities		**10**	**(19)**
Cash flows from investing activities			
Net cash provided / (used) by investing activities		-	-
Net cash provided / (used) by investing activities		**-**	**-**
Cash flows from financing activities			
Net cash provided / (used) by financing activities		-	-
Net cash provided / (used) by financing activities		**-**	**-**
Net increase / (decrease) in cash and cash equivalents		40	(30)
Cash and cash equivalents at the beginning of the year		3	33
Cash and cash equivalents at the end of the year		**43**	**3**

NOTES TO THE FINANCIAL STATEMENTS

G2 OCEAN HOLDING AS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of presentation

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles ("NGAAP").

1.2 Investment in subsidiaries

Subsidiaries are stated according to the historical cost method. If there is a decrease in value that is not temporary, the shares are written down. Previously recognized impairments are reversed if the reason for the impairment no longer exists.

1.3 Taxes

The tax charge in the profit and loss account includes taxes payable for the period and chages in deferred tax. Deferred tax is calculated at 22% 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 utillized. 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.

1.4 Other

For other accounting principles refer to the Group accounting principles.

NOTE 2 OPERATING EXPENSES

There are no employees in G2 Ocean Holding AS. The Chief Executive Officer in G2 Ocean was per December 31, 2021 employed by G2 Ocean AS. Remuneration costs are specified in the Group notes.

NOTE 3 AUDITOR'S REMUNERATION

The following auditor's remuneration is included in the selling, general and administrative expenses:

For the period (USD 1 000)	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Statutory audit (excluding VAT)	4	28
Tax advisory services	-	-
Other non-audit services	-	-
Total	4	28

NOTE 4 OTHER INCOME AND EXPENSES

Other income and expense consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Net foreign exchange loss / (gain)	(4)	14
Other financial expenses / (gain)	(31)	(31)
Total	(35)	(17)

Other financial expenses / (gain) includes financial income from G2 Ocean AS for the security guarantee issued in connection with the term credit facility of USD 25.0 million as of December 31, 2021 (2020: USD 25.0 million).

NOTE 5 INCOME TAXES

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Tax expense consists of		
Tax payable	1	-
Change in deferred tax	-	-
Tax expense (income)	1	-

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Deferred tax		
Tax loss carried forward	-	(29)
Tax loss carried forward, not recognized	-	(29)
Basis for deferred tax liability / (deferred tax asset)	-	-
Deferred tax asset	-	-
(Deferred tax liability)	-	-

As per (USD 1 000)	Dec 31, 2021	Dec 31, 2020
Tax payable consists of		
Profit before tax subject to ordinary income tax	31	(11)
Permanent differences	-	-
Changes in differences included in the basis for deferred / tax assets	-	11
Tax loss carried forward	(29)	-
Basis of tax charge for the year	2	-
Current tax payable of net income	1	-
Tax prepaid	-	-
Tax payable in accounts	1	-

NOTE 6 SUBSIDIARIES

Subsidiary (USD 1 000)	Denominated in	Registered office	Ownership/ voting rights	Equity 2021 (100%)	Result 2021 (100%)	Book Value (100%)
G2 Ocean AS	USD	Bergen	100 %	17 066	1 853	28 120
Book value at Dec 31, 2021						28 120

To the General Meeting of G2 Ocean Holding AS

Independent Auditor's Report

Opinion

We have audited the financial statements of G2 Ocean Holding AS, which comprise:

- The financial statements of the parent company G2 Ocean Holding AS (the Company), which comprise the statement of financial position as at 31 December 2021, the income statement, the statement of changes to equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of G2 Ocean Holding AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated statement of changes to equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 2021, 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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 and the Group as required by laws and regulations 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.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Independent Auditor's Report - G2 Ocean Holding AS

pwc

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 legal 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, 10 March 2022
PricewaterhouseCoopers AS

Marius Kaland Olsen
State Authorised Public Accountant

(2)

Norwegian Directorate of Taxes

Inquiries to	Your date	Our date
Torstein Kinden Helleland	01.11.2017	07.11.2017
Telephone	Your reference	Our reference
22078139	Atle Nordby	2017/1151197

G2 OCEAN HOLDING AS
P.O. Box 1088 Sentrum
5809 BERGEN

Permission to prepare the annual accounts and directors' report in English language

With reference to your letter received 1 November 2017 with respect to the above matter regarding the following companies.

G2 Ocean Holding AS	org.nr. 918 899 855
G2 Ocean AS	org.nr. 918 685 677

Based on a total evaluation, the view of The Directorate of Taxes is that G2 Ocean Holding AS and G2 Ocean AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background
G2 Ocean Holding AS is owned 65 % by the Gearbulk Holding Group and 35 % by the Grieg Star Group. G2 Ocean AS owned 100 % by G2 Ocean Holding AS. The G2 Ocean Group is an international group of companies which owns and operates a modern fleet of open hatch vessels. The working language for the company group is English. The group is highly international in the sense that it operates throughout the world, and the group has several legal entities and companies in different countries. A number of these companies are as well taxable or can be taxable in other jurisdictions due to inter alia international operations. It follows that the accounts for the company as well will have to be presented in different jurisdictions. All key players and partners in this industry speak and use English. The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Permission to make the annual accounts and the directors' report in Norway in English language
According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".*

Postal address	Visiting address:	Telephone
P.O. Box 9200 Grønland	See www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefax
	E-mail: skatteetaten.no/sendepost	22 17 08 60

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

> *"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."*

Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the companies are owned by two limited companies. The working language is English. All key players and partners in this industry speak and use English language. Furthermore, the company is operating in an international industry.

Please state "our reference" (see above) in all written communication with The Norwegian Tax Authorities.

Best regards

Rune Tystad
Senior Adviser
Rettsavdelingen, foretaksskatt
Norwegian Directorate of Taxes

Torstein Kinden Helleland

This document has been electronically approved and contains therefore no handwritten signatures