



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Marit Holm
Dato for fastsettelse av årsregnskapet:	15.03.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 24.03.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Selling, general and administrative		29 000	4 000
Sum kostnader		29 000	4 000
Driftsresultat		-29 000	-4 000
Finansinntekter og finanskostnader			
Annen finansinntekt		54 000	35 000
Sum finansinntekter		54 000	35 000
Netto finans		54 000	35 000
Ordinært resultat før skattekostnad		25 000	31 000
Skattekostnad på ordinært resultat		6 000	1 000
Ordinært resultat etter skattekostnad		19 000	30 000
Årsresultat		19 000	30 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		19 000	30 000
Sum overføringer og disponeringer		19 000	30 000



Balanse

Beløp i: USD	Note	2022	2021
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		2 000	6 000
Sum fordringer		2 000	6 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		67 000	43 000
Sum bankinnskudd, kontanter og lignende		67 000	43 000
Sum omløpsmidler		69 000	49 000
SUM EIENDELER		28 189 000	28 169 000
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			
Annen egenkapital		29 000	10 000



Balanse

Beløp i: USD	Note	2022	2021
Sum opptjent egenkapital		29 000	10 000
Sum egenkapital		28 153 000	28 134 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		13 000	
Betalbar skatt		6 000	1 000
Related parties payable		0	28 000
Accrued liabilities		17 000	6 000
Sum kortsiktig gjeld		36 000	35 000
Sum gjeld		36 000	35 000
SUM EGENKAPITAL OG GJELD		28 189 000	28 169 000



Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		2 129 450 000	1 485 293 000
Sum inntekter		2 129 450 000	1 485 293 000
Kostnader			
Voyage related		848 248 000	692 586 000
Time charter rental		352 709 000	181 263 000
Depreciation and amortization		7 457 000	9 493 000
Selling, general and administrative		63 660 000	51 666 000
Pool distribution to owners		851 574 000	548 676 000
Sum kostnader		2 123 648 000	1 483 684 000
Driftsresultat		5 802 000	1 609 000
Annen rentekostnad		541 000	542 000
Annen finanskostnad		1 186 000	1 061 000
Sum finanskostnader		1 727 000	1 603 000
Netto finans		-1 727 000	-1 603 000
Ordinært resultat før skattekostnad		4 075 000	6 000
Skattekostnad på ordinært resultat		1 271 000	333 000
Ordinært resultat etter skattekostnad		2 804 000	-327 000
Årsresultat		2 804 000	-327 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		2 804 000	-327 000
Sum overføringer og disponeringer		2 804 000	-327 000



Konsernets balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		1 959 000	1 141 000
Goodwill			1 087 000
Sum immaterielle eiendeler		1 959 000	2 228 000
Varige driftsmidler			
Maskiner og anlegg		24 903 000	24 604 000
Sum varige driftsmidler		24 903 000	24 604 000
Finansielle anleggsmidler			
Andre fordringer		130 000	124 000
Sum finansielle anleggsmidler		130 000	124 000
Sum anleggsmidler		26 992 000	26 956 000
Omløpsmidler			
Varer			
Bunker Inventory		72 994 000	61 289 000
Sum varer		72 994 000	61 289 000
Fordringer			
Trade receivables		85 611 000	82 028 000
Related parties receivables		10 015 000	10 130 000
Accrued voyage revenues		23 227 000	17 125 000
Prepaid expenses		4 501 000	1 795 000
Other current assets		3 266 000	2 996 000
Sum fordringer		126 620 000	114 074 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		8 434 000	5 087 000
Sum bankinnskudd, kontanter og lignende		8 434 000	5 087 000
Sum omløpsmidler		208 048 000	180 450 000



Konsernets balanse

Beløp i: USD	Note	2022	2021
SUM EIENDELER		235 040 000	207 406 000
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		-4 399 000	-1 372 000
Retained earnings		-9 692 000	-12 496 000
Sum opptjent egenkapital		-14 091 000	-13 868 000
Sum egenkapital		14 033 000	14 256 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser		2 754 000	2 727 000
Sum avsetninger for forpliktelser		2 754 000	2 727 000
Annen langsiktig gjeld			
Related parties payable		3 000 000	6 000 000
Other non-current liabilities		282 000	511 000
Sum annen langsiktig gjeld		3 282 000	6 511 000
Sum langsiktig gjeld		6 036 000	9 238 000
Kortsiktig gjeld			
Bank overdraft		20 202 000	15 230 000
Leverandørgjeld		39 640 000	17 388 000
Betalbar skatt		657 000	62 000
Skyldige offentlige avgifter		715 000	927 000
Related parties payable		4 687 000	4 708 000
Accrued liabilities		61 990 000	53 651 000
Deferred voyage revenue		78 541 000	85 726 000
Other current payables		8 539 000	6 220 000



Konsernets balanse

Beløp i: USD	Note	2022	2021
Sum kortsiktig gjeld		214 971 000	183 912 000
Sum gjeld		221 007 000	193 150 000
SUM EGENKAPITAL OG GJELD		235 040 000	207 406 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 353082

Enheten

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

Regnskapsår

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Konsernregnskap lagt ved: Ja

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Brønnøysundregistrene, 17.04.2023



Organisasjonsnr: 918 899 855
G2 OCEAN HOLDING AS

RESULTATREGNSKAP

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Selling, general and administrative		29 000	4 000
Sum kostnader		29 000	4 000
Driftsresultat		-29 000	-4 000
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Netto finans		54 000	35 000
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Organisasjonsnr: 918 899 855
G2 OCEAN HOLDING AS

BALANSE

Beløp i: USD Note 2022 2021

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 2 000 6 000

Sum fordringer 2 000 6 000

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter
og lignende 67 000 43 000

Sum bankinnskudd,
kontanter og lignende 67 000 43 000

Sum omløpsmidler 69 000 49 000

SUM EIENDELER 28 189 000 28 169 000

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

Annen egenkapital 29 000 10 000

Sum opptjent egenkapital 29 000 10 000

Sum egenkapital 28 153 000 28 134 000

Sum langsiktig gjeld 0 0

Kortsiktig gjeld

Leverandørgjeld 13 000



Betalbar skatt	6 000	1 000
Related parties payable	0	28 000
Accrued liabilities	17 000	6 000
Sum kortsiktig gjeld	36 000	35 000
Sum gjeld	36 000	35 000
SUM EGENKAPITAL OG GJELD	28 189 000	28 169 000



Organisasjonsnr: 918 899 855
G2 OCEAN HOLDING AS

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G2 OCEAN HOLDING AS

KONSERNBALANSE

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Egenkapital			
Innskutt egenkapital			
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Organisasjonsnr: 918 899 855
G2 OCEAN HOLDING AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall



Organisasjonsnr: 918 899 855
G2 OCEAN HOLDING AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
314.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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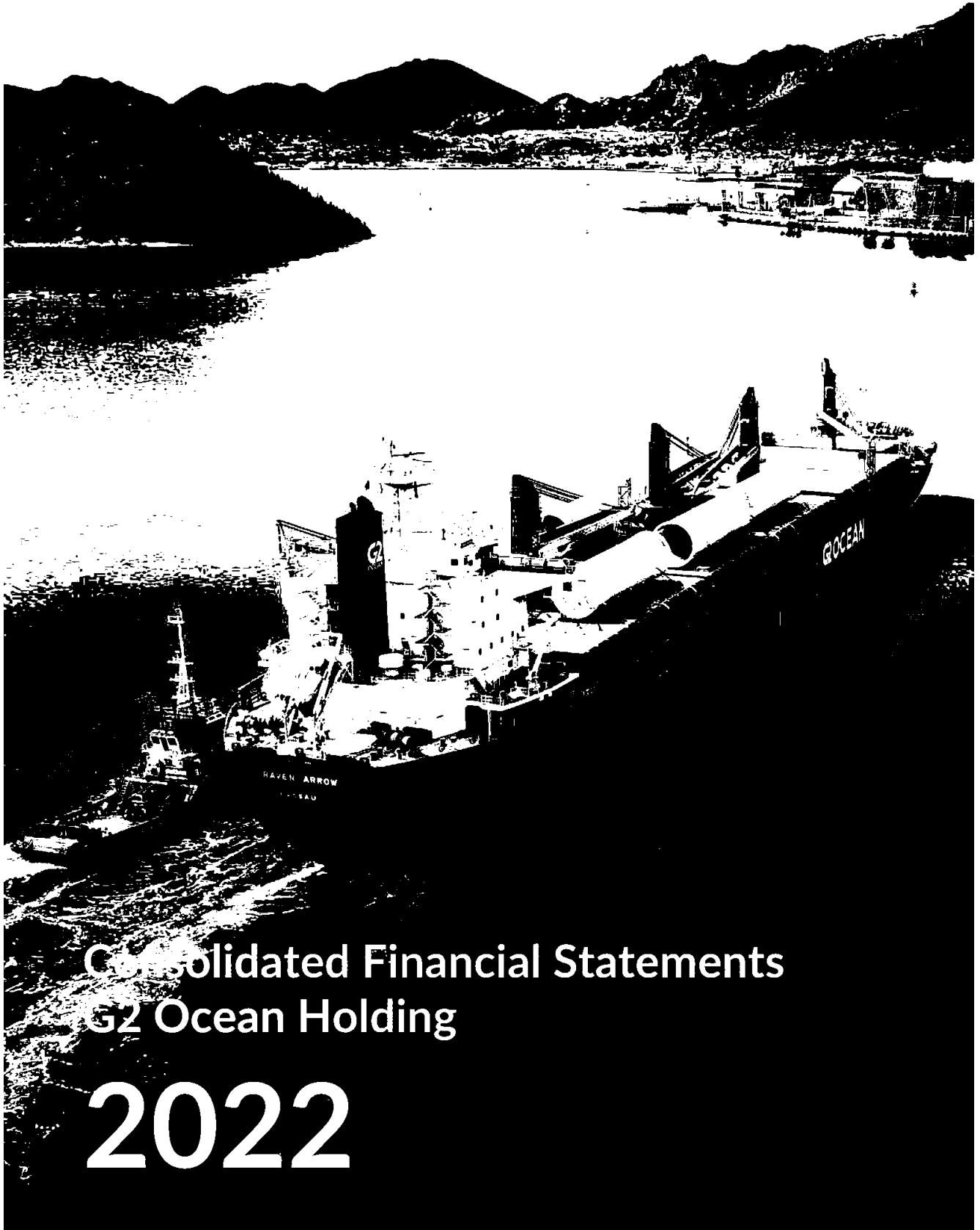
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Consolidated Financial Statements
G2 Ocean Holding

2022



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").



CONTENTS

4 Directors report

G2 OCEAN HOLDING GROUP

9 Consolidated Income Statement

10 Consolidated Statement of financial position

12 Consolidated Statement of changes to equity

13 Consolidated Statement of cash flows

14 Notes

G2 OCEAN HOLDING AS

41 Income Statement

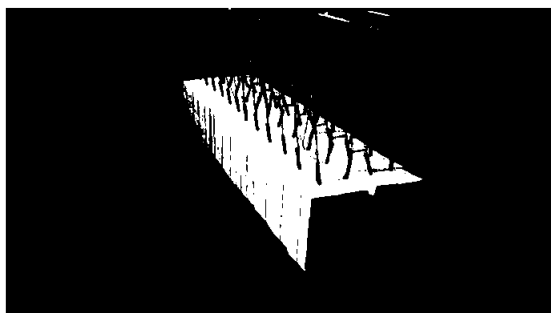
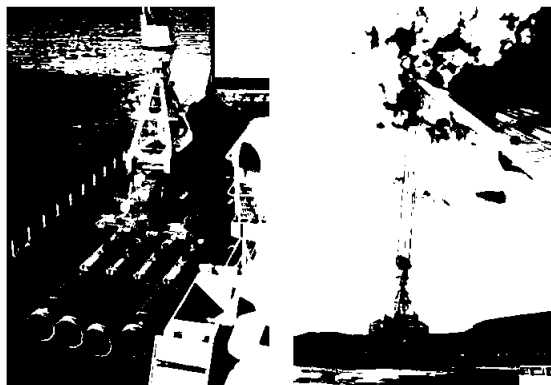
42 Statement of financial position

44 Statement of changes to equity

45 Statement of cash flows

46 Notes

48 Auditor´s report





OUR ORGANIZATION

G2 Ocean Holding AS ("Company" or "G2 Ocean") is the world's largest shipping company within the open hatch segment, operating a core fleet of 88 open hatch vessels and 1 conventional bulk vessels as of December 31, 2022. In addition, on average 38 vessels has been chartered from third parties on short-term contracts during 2022.

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 and semi open hatch vessels.

G2 Ocean Holding AS is a company registered in Norway. The headquarters of G2 Ocean is located in Bergen, Norway, with transactional centres located in Atlanta and Singapore. G2 Ocean currently employs 324 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	15	17	32
Ultramax	17	-	17
Panamax	12	-	12
Total	57	31	88

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.

The Company's conventional dry bulk operation have consisted of on average 5 bulk vessels in 2022.

ANNUAL ACCOUNTS

Results, earnings and operations

The dry bulk sector experienced a strong shipping market for the majority of the year with freight rates significant above the recent years levels.

G2 Ocean's gross revenue of USD 2 129.5 million (2021: USD 1 485.3 million) consists mainly of freight income whereof USD 2 087.0 million (2021: USD 1 400.0 million) in the Open Hatch segment and USD 42.5 million (2021: USD 85.3 million) in the Conventional Bulk segment. The voyage related expenses amounted to USD 848.2 million (2021: USD 692.6 million) and the time charter rental expenses amounted to USD 352.7 million (2021: USD 181.3 million).

The income from operations before pool distribution amounted to USD 857.4 million (2021: USD 550.3 million). This resulted in a pool distribution to the Pool participants of USD 851.6 million (2021: USD 548.7 million).

The net earnings per vessel per day in 2022 in the Open Hatch segment increased by 77.3% compared to 2021, while the net earnings per vessel is 40.6% higher in 2022 compared to 2021 in the Conventional Bulk segment, driven by the firm shipping market with increasing freight rates.

G2 Ocean's Income before income tax was positive by USD 4.1 million (2021: positive by USD 0.0 million). The Net income result at year-end was positive by USD 2.8 million (2021: negative USD 0.3 million).

Balance sheet, financial situation and cash flow

The Company's book equity was USD 14.0 million (2021: USD 14.3 million) at year-end, whereof USD 28.1 million (2021: USD 28.1 million) was injected capital. By end 2022 the equity ratio was 6.0% (2021: 6.9 %). By the end of 2022, the Company had total assets of USD 235.0 million (2021: USD 207.4 million), with current assets accounting for USD 208.0 million (2021: USD 180.5 million).

Based on net positive cash flows from operations of USD 9.4 million (2021: positive USD 8.0 million), a net negative cash flow from investments of USD 6.8 million (2021: negative by USD 7.0 million) and a net positive cash flow of USD 1.0 million (2021: negative USD 2.4 million) from financing activities, the Group's net change in liquid funds in 2022 was positive by USD 3.3 million (2021: negative by USD 0.9 million). Liquidity in the form of bank deposits, cash and undrawn credit facility at year-end totaled USD 38.2 million (2021: USD 14.9 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 324 employees whereof 65 were employed in Norway and 259 abroad.

Health, environment and safety

G2 Ocean maintains an overview of sick leave in accordance with current laws and regulations. In 2022 the general sick leave for the global organization was 1.1%. 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 2022.

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.

The gender equality statement as required by the Equality and Anti-Discrimination Act in Norway is prepared and included in the 2022 Annual Report available on www.g2ocean.com.

At year-end 2022, the total workforce in the G2 Ocean Group reflected a distribution between the genders of 38% women and 62% men and for the Norwegian part of the Group, the distribution between the genders was 34% women and 66% men.

Total Workforce



Executive Management



For executive management, the gender distribution was 33% women and 67% men.



At year-end 2022, the Company's Board of Directors consisted of one woman and six men, including two deputy board members.

EXTERNAL ENVIRONMENT

As a global shipping company, G2 Ocean, as a global shipping, with its business activities have both direct and indirect environmental impacts. Our main environmental impacts are linked to the transportation of cargo, purchased products and services, energy use, business travel and waste generation.

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: (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 are monitoring our Scope 1, 2 and 3 emissions.

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

Scope 2 emissions covers indirect emissions from the consumption of purchased energy for heating, cooling, lightning and gas by G2 Ocean.

Scope 3 emissions include all other indirect emissions that occur in our value chain such as emissions related to well-to-tank emissions, purchased goods and services, tugs, business travel and downstream leased assets.

In 2022, G2 Ocean committed to becoming a net-zero emissions company by 2050 and to bringing in zero-emission capable vessels by 2030. In line with the strategy of the International Maritime Organization (IMO), G2 Ocean is also committed to reducing greenhouse gas emissions per transported unit by a minimum of 40% by 2030 from 2008 levels.

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 been a member of the Maritime Anti-Corruption Network ("MACN") since 2017.

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.

G2 Ocean set high ethical and environmental requirements for both ourselves and our suppliers. All our suppliers must commit to our [Supplier Code of Conduct](#), and it is expected that applicable laws and regulations are adhered to. The Code of Conduct is based on the United Nations Global Compact Guiding Principles and specifies our fundamental ethical standards for business operations. The Code of Conduct was updated in 2022 to ensure compliance with the Norwegian Transparency Act. Further information can be found in the 2022 Annual Report available on www.g2ocean.com.

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.

With the increasing reliance on technology and the internet, the risk of cyber threats is constantly evolving. Protecting our organisation from data breaches and cyberattacks has accordingly become increasingly important in the past few years due to the greater level of digitalization of work processes across the company and the growing threat of cyberattacks. In order to minimize the cyber security risk a number of measures and actions are being taken to stay prepared and counter any cyber threats.

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, 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.

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.

During 2022, G2 Ocean implemented a Supplier Risk Management System where all new suppliers are screened for sanctions and Anti-Bribery Corruption issues. In case any issues are identified and substantiated, we will not do business with the supplier.

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

In 2022, the maritime sector was again managing wide ranging disruption from global events including the onset of the Ukraine conflict, continued impacts from the pandemic, a slowing world economy and inflation.

After a Covid-19 rebound in 2021, the dry bulk shipping market that G2 Ocean operates within, remained firm for the majority of 2022.

The global seaborne trade stalled at 12 billion metric tons, reaching the same levels as 2021. For 2023, the global growth is forecasted to be 2.65% by the IMF following a series of downgrades through 2022. A glimmer of economic optimism is coming from preliminary data suggesting that the inflationary pressures were gently easing at the end of 2022. This suggests that prices will see less of a steep climb into 2023 and Central Banks could start slowing the pace of their interest rate hikes.

Bulk

For Bulk, the rates generally eased back in 2022 amid pressure on demand and easing congestion, with average bulk carrier earnings falling 24% year on year. The rates were generally more resilient in the segment with smaller ship sizes where rate levels remained fairly "healthy" for much of the year.

Recent demand headwinds appear likely to persist into 2023, as deteriorating global macroeconomics conditions may limit imports in key regions, especially for minor bulks, whilst uncertainty around the outlook for the Chinese property sector and Covid-19 impacts makes the 2023 outlook for key dry bulk segments less clear.

Supply growth appears to set slow in 2023, with the orderbook at a 30-year low of about 7% of the fleet capacity. High slippage levels on newbuild deliveries and an increase in demolition numbers (due to softer market conditions and as new environmental regulations come into force) are expected to mitigate the fleet growth in 2023. It is expected that this will lead to a relatively balanced market in 2023, but with economic recovery and dry bulk demand expansion to grow more in the second half of the year than the first.

Containers

The container sector began the year at record levels (with freight and charter rates peaking at around 5-6 times compared to start 2020 levels), but experienced a sharp correction in second half of the year as trade volumes and congestion unwound. The market conditions are generally expected to soften further into 2023, with rates expected to continue to move towards and potentially below typical historical average levels. The strong supply expansion is likely to increase the pressure.

Pulp

World demand for paper grade market pulp is estimated to have reached 70 million tons in 2022, up 2.6% or 1.8 million tons from 2021 but still below

its 2020 level. At 24.6 million tons, China's pulp demand was 1.6% lower than in 2021.

Global bleached chemical pulp shipments are expected to have grown by around 0.3 million tons (+0.4%) in 2022, following a contraction of -1.7 million tons in 2021. The weak performance over the past two years is largely the result of supply-side constraints which have led to decline in global consumer stocks of almost 2 million tons since Q4 2020 and drove prices to record highs over the summer. Global bleached chemical pulp shipments are forecast to grow by 1.9 million tons in 2023 as prices deflate, supply increases and consumer restock. However, global paper and board production is likely to remain weak due to slowing macro-economy.

Steel

The global crude steel production fell 4.2% in 2022 to 1.9 billion tons. Except for India and Iran, the world's top 10 steel producers saw a decline in output last year. The world's number one steel producer, China, saw a 2.1% decline in its figures of 1.0 billion tons while India, the number two producer, rose 5.5% to 124.7 million tons last year.

2023 expectations

In summary, G2 Ocean remain optimistic for the shipping market in 2023. 2023 has started off with a slow down for the shipping market, however with the prospect of China to revive post Covid-19, G2 Ocean remain optimistic for the shipping market in 2023.

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 of Directors are grateful for the effort and the results achieved from all employees throughout 2022.



Bergen, March 15, 2023
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





CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period (USD 1 000)	Note	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Total revenues	3,4	2 129 450	1 485 293
Operating expenses			
Voyage related	4,5	848 248	692 586
Time charter rental	6,8	352 709	181 263
Depreciation and amortization	15,16	7 457	9 493
Selling, general & administrative	4,7,8,9	63 660	51 666
Income from operations before pool distribution		857 376	550 285
Pool distribution to Pool Participants	4,10	851 574	548 676
Income from operations		5 802	1 609
Non-operating income / (expenses):			
Interest income (expenses)		(541)	(542)
Other income and expenses, net	11	(1 186)	(1 061)
Income before income taxes		4 075	6
Income tax expense	12	1 271	333
Net income		2 804	(327)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Goodwill	15	-	1 087
Deferred tax assets	12	1 959	1 141
Total intangible fixed assets		1 959	2 228
<i>Tangible fixed assets</i>			
Property, plant and equipment	16	24 903	24 604
Total tangible fixed assets		24 903	24 604
<i>Financial fixed assets</i>			
Other non-current assets	22	130	124
Total financial fixed assets		130	124
Total fixed assets		26 992	26 956
<i>Current assets</i>			
Inventories	19	72 994	61 289
Trade receivables	20	85 611	82 028
Related parties receivables	10	10 015	10 130
Accrued voyage revenue	21	23 227	17 125
Prepaid expenses		4 501	1 795
Other current assets	13,14,18	3 266	2 996
Cash and cash equivalents	23	8 434	5 087
Total current assets		208 048	180 450
Total assets		235 040	207 406



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equity and Liabilities (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
<i>Equity</i>			
<i>Paid-in equity</i>			
Share capital	24,25	7 134	7 134
Share premium reserve	24	20 990	20 990
Total paid-in equity		28 124	28 124
<i>Other equity</i>			
Other equity		(4 399)	(1 372)
Retained earnings		(9 692)	(12 496)
Total other equity		(14 091)	(13 868)
Total equity		14 033	14 256
<i>Liabilities</i>			
<i>Provisions</i>			
Pension obligations	26	2 754	2 727
Deferred tax liabilities	12	-	-
Total provisions		2 754	2 727
<i>Other long-term liabilities</i>			
Related parties payable	10	3 000	6 000
Other non-current liabilities	27	282	511
Total other long-term liabilities		3 282	6 511
<i>Current liabilities</i>			
Bank overdraft	28	20 202	15 230
Trade payable		39 640	17 388
Public duties payable		715	927
Tax payable	12	657	62
Related parties payable	10	4 687	4 708
Accrued liabilities	29	61 990	53 651
Deferred voyage revenue	21	78 541	85 726
Other current payables	13,14,30	8 539	6 220
Total short-term liabilities		214 971	183 912
Total liabilities			193 150
Total equity and liabilities		235 040	207 406

Bergen, March 15, 2023
The Board of Directors of
G2 Ocean Holding AS

Kristian Jebsen
Chair

Arthur English
CEO

Camilla Grieg
Vice Chair

Matthew Robert Cagienard Duke
Board Member

Hans Petter Aas
Board Member

Hans Olav Lindal
Board Member



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, 2022	30 000	7 134	20 990	(12 496)	(1 372)	14 256
Net change in fair value of cash flow hedges	-	-	-	-	(2 887)	(2 887)
Translation adjustment	-	-	-	-	(103)	(103)
Net income	-	-	-	2 804	-	2 804
Other	-	-	-	-	(37)	(37)
Balance at Dec 31, 2022	30 000	7 134	20 990	(9 692)	(4 399)	14 033

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



CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows for as per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Cash flows from operating activities			
Net income		2 804	(327)
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Depreciation and amortization	15,16	7 457	9 493
Net (gains) losses from disposals	16	84	(293)
Financial cost		964	617
Changes in operating assets and liabilities			
Trade receivables	20	(3 638)	(23 091)
Inventories	19	(11 705)	(20 158)
Prepaid expenses and other assets		(3 102)	4 952
Accrued voyage revenue	21	(6 102)	(3 839)
Deferred voyage revenue	21	(7 185)	30 842
Accrued liabilities	29	8 339	18 534
Trade payable		22 252	7 220
Payments to and from related parties	10	150	(7 124)
Other payables		(874)	(2 540)
Other, net		(74)	(6 275)
Net cash provided / (used) by operating activities		9 370	8 011
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(6 918)	(7 401)
Disposals of fixed assets	16	141	394
Net cash provided / (used) by investing activities		(6 777)	(7 007)
Cash flows from financing activities			
Proceeds from bank overdraft facility	28	4 972	1 194
Repayment of loan to related parties	10	(3 000)	(3 000)
Payment of finance costs		(964)	(617)
Net cash provided / (used) by financing activities		1 008	(2 423)
Net increase / (decrease) in cash and cash equivalents		3 601	(1 419)
Effect of exchange rate changes on the cash in the year		(253)	503
Cash and cash equivalents at the beginning of the year	23	5 087	6 003
Cash and cash equivalents at the end of the year		8 434	5 087



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 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, 2022, G2 Ocean operates a core fleet of 88 open hatch vessels and 1 conventional bulk vessels. In addition, on average 38 vessels has been chartered from third parties on short-term contracts during 2022. 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 a 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 88 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.

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

2.14 Leases

Leasing is 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 life. 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 consists 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, 2022	Jan 1 – Dec 31, 2021
North America	203 934	184 266
South America	584 632	434 936
Europe	217 023	162 866
Africa	124 576	77 589
Australasia	97 510	57 091
Middle East and Asia	901 775	568 545
Total revenues	2 129 450	1 485 293

Load ports in the following countries each constituted more than 5% of the total cargo revenues reported in 2022 (and 2021): China 27.5% (2021: 23.9%), Brazil 22.1% (2021: 22.2%) and Canada 5.2% (2021: 7.1%). Further, the following countries constituted more than 5% in 2021: Chile 6.2% and United States of America 5.3%.

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

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Revenue from contracts with customers	2 125 325	1 480 659
Other revenues	4 125	4 633
Gross revenues	2 129 450	1 485 293
<i>Revenue from contracts with customers disaggregated by type of contracts:</i>		
Charter of Affreightment contracts	1 083 738	677 187
Spot contracts	981 567	686 962
Time charter hire	60 020	116 510
Revenues from contracts with customers	2 125 325	1 480 659

One customer in the year ended December 31, 2022, accounted for 10% or more of the Company's revenues (2021: 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, 2022 (USD 1 000)				
	Open Hatch	Conventional Bulk	Eliminations	Total
Total revenues	2 087 014	42 436	-	2 129 450
Operating expenses				
Voyage related	845 649	2 599	-	848 248
Time charter rental	352 117	592	-	352 709
Depreciation and amortization	7 392	65	-	7 457
Selling, general & administrative	62 032	1 628	-	63 660
Income from operations before pool distribution	819 824	37 552	-	857 376
Pool distribution to Pool Participants	814 111	37 463	-	851 574
Income from operations	5 713	89	-	5 802
Non-operating income / (expenses)	(1 702)	(25)	-	(1 727)
Income before income taxes	4 011	64	-	4 075
Income tax expense	1 238	33	-	1 271
Net income	2 773	31	-	2 804

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)

NOTE 5 VOYAGE RELATED EXPENSES

Voyage related expense consist of the following amounts:



For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Bunker expenses	341 828	261 343
Cargo handling expenses	271 734	235 905
Port expenses	131 578	124 349
Insurance premiums and deductibles	2 421	1 070
Other voyage related expenses	100 687	69 919
Total	848 248	692 586

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 2022 were USD 352.7 million (2021: USD 181.3 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, 2022	Jan 1 – Dec 31, 2021
Staff expenses	49 776	40 326
Office expenses	2 556	2 413
IT and communication	3 415	3 323
Professional fees	5 153	4 694
Travel & marketing	2 123	910
Net currency hedging related to selling, general and administrative expenses	637	-
Total	63 660	51 666

Staff expenses consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Salaries		27 367
Payroll taxes		2 629
Pension expenses		2 342
Other personnel expenses including recharge of salaries and other personnel charges		7 988
Total		40 326

The average number of staff in 2022 was 314 (2021: 310).

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



For the period Jan 1 – Dec 31, 2022 (USD 1 000)	CEO	Board of Directors
Remuneration	1 292	177
Pension	40	-
Other allowances	14	-
Total remuneration	1 346	177

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

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

The Chief Executive Officer has a long-term incentive program. Upon termination of employment, the Chief Executive Officer is entitled to 12 months' salary.

NOTE 8 OPERATING LEASES

Future minimum lease payments in respect of operating leases as of December 31, 2022, are as follows:

As per Dec 31, 2022 (USD 1 000)	Vessels	Offices and cars	Total
2023	76 995	1 710	78 705
2024	2 027	1 392	3 419
2025	-	1 053	1 053
2026	-	477	477
2027	-	192	192
Thereafter	-	-	-
Total	79 023	4 823	83 846

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, 2022	Jan 1 – Dec 31, 2021
Statutory audit (excluding VAT)	246	227
Tax advisory services	-	2
Other non-audit services	56	18
Total	302	247



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 2022 pool distribution related to Gearbulk vessels amounted to USD 558.1 million (2021: USD 334.5 million), of which USD 534.6 million (2021: USD 304.0 million) were related to the Open Hatch segment and USD 23.5 million (2021: USD 30.5 million) were related to the conventional Bulk segment.

As of December 31, 2022, nil Bulk vessels (2021: 3) and 57 Open Hatch vessels (2021: 58) 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 (2021: one bulk 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 2022 were USD 3.8 million (2021: USD 4.9 million). Revenues recognized from Gearbulk in respect of the services for 2022 were USD 2.7 million (2021: USD 4.9 million). In addition, G2 Ocean has recognized USD 10.5 million from Gearbulk and associated companies relating to TC hire (2021: USD 4.1 million).

10.2 Grieg

During 2022 Pool distribution related to Grieg vessels amounted to USD 293.4 million (2021: USD 214.1 million), of which USD 279.4 million (2021: USD 159.7 million) were related to the Open Hatch segment and USD 14.0 million (2021: USD 54.4 million) were related to the conventional Bulk segment.

As of December 31, 2022, nil Bulk vessels (2021: 4) and 31 Open Hatch vessels (2021: 31) were operated in the G2 Ocean pool on behalf of Grieg at a variable rate per day. Nil bulk vessel was commercially operated by G2 Ocean on a pay as you earn basis (2021: one bulk vessel).

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 2022 were USD 1.1 million (2021: USD 3.1 million). Revenues recognized from Grieg in respect of the services for 2022 were USD 1.7 million (2021: USD 2.6 million).

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 2022, the Company paid USD 73 278 (2021: USD 142 857) to Thommessen for services provided.

10.4 Related party balances

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, 2022	Dec 31, 2021
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Trade receivable with related parties

Gearbulk Pool Ltd	-	55
Total	-	55

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
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Related parties receivables (current)

Gearbulk Pool Ltd	1 835	1 890
Gearbulk Shipowning Ltd	4 691	3 829
Gearbulk Shipping AS	547	793
Gearbulk Terminais do Brasil Ltda	187	877
Gearbulk AG	-	37
Gearbulk Norway AS	67	47
Gearbulk Shipping Investment Ltd	-	1
Gearbulk Shipping Singapore Pte Ltd.	15	2
Gearbulk and Ship Management & Transport Ltd	10	-
Grieg Star 2017 AS	-	239
GriegMaas Ultramax AS	-	27
Grieg Shipping II AS	328	570
Grieg Star OH Pool AS	2 043	1 279
Grieg Maritime Group AS	7	-
Grieg International II AS	285	172
Grieg Star Bulk AS	-	366
Total	10 015	10 130

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
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Related parties payables (current)

Gearbulk Pool Ltd	447	2 589
Gearbulk Norway AS	162	8
Gearbulk Holding AG	1 957	-
Gearbulk Management Switzerland AG	97	94
Gearbulk UK Ltd	3	175
Gearbulk Shipping AS	4	-
Gearbulk Shipping Singapore Pte Ltd.	-	38
Gearbulk Maritima Ltda	155	100
Gearbulk Shipowning Ltd	-	6
Grieg Shipholding AS	1 356	1 056
Grieg Star Bulk AS	37	1
Gearbulk Terminais do Brasil Ltda	209	630
Grieg Shipping II AS	233	1
Grieg International II AS	27	-
Grieg Shipbroker AS	-	10



Total 4 687 4 708

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Related party payables (non-current)		
Gearbulk Holding AG	1 950	3 900
Grieg Shipholding AS	1 050	2 100
Total	3 000	6 000

Related parties payables (current) above includes short term portion of the long term debt to related parties. Additional information is provided in section 10.5.

10.5 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, 2022:

As per Dec 31, 2022 (USD 1 000)	Gearbulk Holding AG	Grieg Shipholding AS	Total
2023	1 950	1 050	3 000
2024	1 950	1 050	3 000
2025	-	-	-
2026	-	-	-
2027	-	-	-
Thereafter	-	-	-
Total	3 900	2 100	6 000

10.6 Other

Loans to directors from G2 Ocean as of December 31, 2022, amounted to nil (2021: nil). Loans to employees amounted to nil (2021: nil).

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, 2022	Jan 1 - Dec 31, 2021
Net foreign exchange loss / (gain)	226	806
Other financial expenses	960	255
Total	1 186	1 061

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, 2022	Dec 31, 2021
Tax expense consists of		
Tax payable on taxable income Norway	451	1
Tax payable on taxable income Overseas	818	461
Change in deferred tax Norway	(98)	(118)
Change in deferred tax Overseas	100	(11)
Tax expense (income)	1 271	333
Changes in deferred tax included in Other equity	(814)	(654)
Total	457	(321)

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, 2022, the Company has USD 0.0 million in tax losses carried forward (basis for deferred tax asset) in Norway (2021: USD 0.2 million). In overseas jurisdictions the tax loss carried forward amounts to USD 2.3 million (2021: USD 2.8 million). Deferred tax assets recognized in respect of these losses amount to USD 0.4 million (2021: USD 0.5 million).

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Deferred tax		
Goodwill	(789)	(880)
Provision	(872)	(891)
Receivables	(470)	(509)
Fixed assets	2 206	3 101
Pension	(2 690)	(3 056)
Financial instruments	(4 015)	(314)
Tax loss carried forward	(2 346)	(3 025)
Tax loss carried forward, not recognized	1 075	1 217
Basis for deferred tax liability / (deferred tax asset)	(7 902)	(4 357)
Deferred tax asset	1 959	1 141
(Deferred tax liability)	-	-



As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Tax payable consists of		
Profit before tax subject to ordinary income tax	4 075	6
Permanent differences	(162)	(2 088)
Changes in differences included in the basis for deferred / tax assets	3 545	2 962
Basis of tax charge for the year	7 458	880
Current tax payable of net income	1 248	462
Tax payable on group contribution	21	-
Tax prepaid	(591)	(400)
Tax payable in accounts	657	62

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 is 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).

Bank overdraft

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

As of December 31, 2022 and 2021, the aggregate fair value of the assets and liabilities measured at fair value was as follows:



As per Dec 31, 2022 (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	8 434	-	-	8 434
Other current assets				
Derivatives	-	1 980	-	1 980
Other non-current assets				
Derivatives	-	-	-	-
Financial liabilities				
Other current payables				
Bank overdraft	20 202	-	-	20 202
Derivatives	-	5 995	-	5 995
Other non-current liabilities				
Derivatives	-	-	-	-

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				
Bank overdraft	15 230	-	-	15 230
Derivatives	-	2 418	-	2 418
Other non-current liabilities				
Derivatives	-	-	-	-

There have been no transfers between different levels in the fair value hierarchy in 2022 and 2021.

As of December 31, 2022 and 2021, the aggregate carrying value, fair value and gain or loss was as follows:

As per Dec 31, 2022 (USD 1 000)	Carrying Values (\$)	Fair Values (\$)	Gain / (Loss)
Derivative instruments			
Foreign exchange forward contracts	(2 032)	(2 032)	(2 032)
Fuel future purchase contracts	(1 667)	(1 667)	(1 667)
Freight Forward Agreements	(316)	(316)	(316)



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
Freight Forward Agreements	-	-	-

As of December 31, 2022 and 2021 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 2022 is USD 135.4 million (2021: USD 123.9 million).

As of December 31, 2022, the fair value of aggregate foreign currency forward exchange contracts held on the balance sheet was a net unrealized loss of USD 2.0 million (2021: net unrealized loss of USD 1.3 million), of which USD 1.1 million (2021: USD 0.9 million) was recorded within Other current assets and USD 3.1 million (2021: USD 2.2 million) within Other current payables.

As of December 31, 2022, these contracts had maturities of up to one year and a notional principal amount of USD 116.4 million (2021: USD 109.4 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 these arrangements during the year ending December 31, 2022.

As of December 31, 2022, the fair value of aggregate fuel rate swap agreements held on the balance sheet was a net unrealized loss of USD 1.6 million (2021: net unrealized gain of USD 1.0 million), of which USD 0.8 million (2021: USD 1.2 million) was recorded in Other current assets and USD 2.4 million (2021: USD 0.2 million) was recorded within Other current payables. As of December 31, 2022, these contracts had maturities of up to one year and a notional principal quantity of 45 940 metric tons (2021: 20 050 metric tons). The notional value of these contracts is USD 26.9 million (2021: USD 10.2 million).

14.3 Freight Cost Management

The Company maintains a freight cost risk-management strategy that uses derivative instruments to minimize significant, unanticipated fluctuations in earnings that may arise from volatility in freight cost prices. The Company enters into freight forward agreements relating to freight cost. The Company has applied hedge accounting to these arrangements during the year ending December 31, 2022.

As of December 31, 2022, the fair value of aggregate forward freight agreements held on the balance sheet was a net unrealized loss of USD 0.3 million (2021: 0.0 million), of which USD 0.1 million (2021: 0.0 million) was recorded in Other current assets and USD 0.4 million (2021: USD 0.0 million) was recorded within Other current payables. As of December 31, 2022, these contracts had maturities of up to one year and a notional principal quantity of 315 (2021: nil). The notional value of these contracts is USD 3.7 million (2021: 0.0 million).

14.4 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. The Company anticipates that the counterparties will be able to fully satisfy their obligations under the agreements.

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 is, 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, 2022 and as of December 31, 2021 (See Notes 18 and 30):

As per Dec 31, 2022 (USD 1 000)	Notional Principal Amounts (\$)	Carrying Values (\$)	Fair Values (\$)	Maturity
Derivative instruments				
Foreign exchange forward contracts	116 361	(2 032)	(2 032)	2023
Fuel future purchase contracts	26 920	(1 667)	(1 667)	2023
Freight Forward Agreements	3 726	(316)	(316)	2023

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
Freight Forward Agreements	-	-	-	-

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, 2022 and as of December 31, 2021:



As per Dec 31, 2022 (USD 1 000)	Freight Forward Agreements (\$)	Forward currency purchase (\$)	Fuel purchase contracts (\$)	Fuel purchase contracts (MT)
2023	3 726	116 361	26 920	45 940
2024	-	-	-	-
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
Thereafter	-	-	-	-
Total	3 726	116 361	26 920	45 940

As per Dec 31, 2021 (USD 1 000)	Freight Forward Agreements (\$)	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

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, 2022, there is no accumulated impairment loss recognized.



(USD 1 000)	Total
Goodwill	
Historical cost Jan 1, 2022	17 772
Additions	-
Currency translation	(39)
Historical cost Dec 31, 2022	17 733
Amortization for the year	1 048
Accumulated amortization	17 733
Goodwill Dec 31, 2022	-

(USD 1 000)	Total
Goodwill	
Historical cost Jan 1, 2021	17 785
Additions	-
Currency translation	(13)
Historical cost Dec 31, 2021	17 772
Amortization for the year	3 575
Accumulated amortization	16 685
Goodwill Dec 31, 2021	1 087

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, 2022	46 884	1 301	2 485	50 670
Reclassification of assets	-	(8)	8	-
Additions	6 435	211	272	6 918
Disposal	(640)	(228)	(146)	(1 014)
Foreign exchange differences	43	(34)	(104)	(95)
Balances as of Dec 31, 2022	52 722	1 242	2 515	56 479
Depreciation and amortization				
Accumulated depreciation as of Jan 1, 2022	(22 851)	(982)	(2 233)	(26 066)
Reclassification of assets	-	-	-	-
Depreciations	(6 129)	(133)	(147)	(6 409)
Disposals	455	192	142	789
Foreign exchange differences	(15)	40	85	110
Accumulated depreciations as of Dec 31, 2022	(28 540)	(883)	(2 153)	(31 576)
Net carrying value Jan 1, 2022	24 033	319	252	24 604
Net carrying value Dec 31, 2022	24 182	359	362	24 903



(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

16.1 Depreciation and amortization

The depreciation and amortization charge for 2022 was USD 6.4 million. In addition, there was a loss on disposal and scrapping of USD 0.2 million (2021: USD 5.9 million in addition to a loss on disposal and scrapping of USD 0.1 million).

16.2 Impairment

There was no impairment loss in 2022.

NOTE 17 SUBSIDIARIES

As of December 31, 2022, 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 OTHER CURRENT ASSETS

Other current assets consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Fair value of derivative instruments	13,14	1 980	2 105
Value added taxes receivables		820	580
Other current assets		466	311
Total		3 266	2 996

NOTE 19 INVENTORIES

Inventories consist of the following amounts:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Bunkers	72 994	58 519
Consumables and other inventories	-	2 770
Total	72 994	61 289

There was no impairment of inventories in 2022.

NOTE 20 TRADE RECEIVABLES

Trade receivables consists of the following amounts:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Trade receivables	86 080	82 499
Trade receivables, related parties	-	55
Loss provision	(469)	(526)
Total	85 611	82 028

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
2022	86 080	60 567	18 696	2 396	1 116	3 077
2021	82 499	62 012	17 178	2 252	419	638



NOTE 21 CONTRACT ASSETS AND CONTRACT LIABILITIES

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Accrued voyage revenue	23 227	17 125
Contract assets	23 227	17 125
Deferred voyage revenue	78 541	85 726
Contract liabilities	78 541	85 726

21.1 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.

21.2 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 22 OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Other non-current assets		130	124
Total		130	124

NOTE 23 CASH, CASH EQUIVALENTS AND RESTRICTED CASH

As of December 31, 2022, and 2021, the following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial positions that sum to the total of the same such amounts shown in the statement of cash flows.

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Cash and cash equivalents	7 947	4 509
Short-term restricted cash	487	578
Long-term restricted cash	-	-
Total	8 434	5 087

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



NOTE 24 SHARES

As of December 31, 2022, and as of December 31, 2021, 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 2022 (2021: nil).

NOTE 25 SHAREHOLDERS

As of December 31, 2022, 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, 2022, between its two shareholders, both in terms of number of shares of common stock and percentages.

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

NOTE 26 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.

26.1 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, 2022, were USD 2.3 million (2021: USD 2.1 million).

26.2 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 13 employees as of December 31, 2022 (2021: 16).

The net periodic pension cost for defined benefit plans for the year December 31, 2022, was USD 0.1 mill (2021: USD 0.2 million). The total pension liabilities as of December 31, 2022, was USD 2.7 million (2021: USD 2.7 million).

NOTE 27 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of the following amounts:



As per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Other long-term liabilities		282	511
Total		282	511

NOTE 28 BANK OVERDRAFT

As at December 31, 2022 the Company had a term revolving credit facility of USD 50.0 million (2021: USD 25.0 million) whereof USD 20.2 million (2021: USD 15.2 million) had been drawn. The facility is secured by a factoring pledge in the amount of USD 55.0 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, 2022, was USD 87.0 million (2021: USD 84.4 million). In addition, the term credit facility is secured by a guarantee from its parent company G2 Ocean Holding AS of USD 50.0 million (2021: USD 25.0 million).

As of December 31, 2022, 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. Further, the term revolving credit facility includes a clean down clause which require the usage of the facility to be below a set threshold for three consecutive days during any given six months periods. Failure to comply with any of the covenants in the loan agreements could result in a default.

As of December 31, 2022, and December 31, 2021, G2 Ocean was compliant with its covenants.

NOTE 29 ACCRUED LIABILITIES

Accrued liabilities consist of the following amounts:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Accrued voyage related expenses	48 439	47 332
Accrued staff expenses	11 923	5 008
Accrued other expenses	1 628	1 311
Total	61 990	53 651

NOTE 30 OTHER CURRENT PAYABLES

Other current payables consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Fair value of derivative instruments	13,14	5 995	2 418
Provisions for deductibles on cargo related insurance claims		1 596	2 611
Other payables		948	1 191
Total		8 539	6 220



NOTE 31 COMMITMENTS AND CONTINGENCIES

31.1 *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.

31.2 *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, 2022, 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 affect 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.

31.3 *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 Energy Efficiency eXisting ship Index ("EEXI") is a measure introduced by the IMO to reduce the greenhouse gas emissions of ships. The EEXI is a measure related to the technical design of a ship. Ships must attain EEXI approval once in a lifetime, by the first periodical survey in 2023 at the latest.

The Carbon Intensity Indicator ("CII") is a measure of how efficiently a ship transports goods and is given in grams of CO2 emitted per cargo-carrying capacity and nautical mile. The ship is then given an annual rating ranging from A to E, whereby the rating thresholds will become increasingly stringent towards 2030. The yearly CII is calculated based on reported IMO DCS data and the ship is given a rating from A to E. The CII requirements will take effect from 2023, the first rating will be published in 2024.

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.

3.1.4 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 32 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Subsequent events have been reviewed from period end to issuance of the consolidated financial statement on March 15, 2023 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, 2022	Jan 1 – Dec 31, 2021
Total revenues		-	-
Operating expenses			
Selling, general & administrative	2.3	29	4
Income from operations		(29)	(4)
Non-operating income / (expenses):			
Interest income / (expense)		-	-
Other income and expenses, net	4	54	35
Income before income taxes		25	31
Income tax expense	5	6	1
Net income		19	30
Allocation of Net Income			
Transferred to / from Retained earnings		19	30



STATEMENT OF FINANCIAL POSITION

Assets (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
<i>Fixed assets</i>			
<i>Financial fixed assets</i>			
Investments in subsidiaries	6	28 120	28 120
Total financial fixed assets		28 120	28 120
<i>Current assets</i>			
Cash and cash equivalents		67	43
Other current assets		2	6
Total current assets		69	49
Total assets		28 189	28 169



STATEMENT OF FINANCIAL POSITION

Equity and Liabilities (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity			
<i>Paid-in equity</i>			
Share capital		7 134	7 134
Share premium reserve		20 990	20 990
Total paid-in equity		28 124	28 124
<i>Other equity</i>			
Retained earnings		29	10
Total other equity		29	10
Total equity		28 153	28 134
Liabilities			
<i>Current liabilities</i>			
Trade payable		13	-
Related party payable		-	28
Tax payable		6	1
Accrued liabilities		17	6
Total short-term liabilities		36	35
Total liabilities		36	35
Total equity and liabilities		28 189	28 169

Bergen, March 15, 2023

The Board of Directors of
G2 Ocean Holding AS

Kristian Jepsen

Chair

Camilla Grieg

Vice Chair

Hans Petter Aas

Board Member

Arthur English

CEO

Matthew Robert Cagienard Duke

Board Member

Hans Olav Lindal

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, 2022	30 000	7 134	20 990	10	28 134
Net income	-	-	-	19	19
Balance at Dec 31, 2022	30 000	7 134	20 990	29	28 153

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



STATEMENT OF CASH FLOWS

Cash flows as per (USD 1.000)	Note	Dec 31, 2022	Dec 31, 2021
<i>Cash flows from operating activities</i>			
Net income		19	30
<i>Changes in operating assets and liabilities</i>			
Accrued liabilities		11	(24)
Trade payables		13	-
Tax payable		5	-
Payments to and from related parties		(28)	33
Other current assets		4	1
Net cash provided / (used) by operating activities		5	10
<i>Cash flows from investing activities</i>			
Net cash provided / (used) by investing activities		-	-
Net cash provided / (used) by investing activities		-	-
<i>Cash flows from financing activities</i>			
Net cash provided / (used) by financing activities		-	-
Net cash provided / (used) by financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		24	40
Cash and cash equivalents at the beginning of the year		43	3
Cash and cash equivalents at the end of the year		67	43



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 changes 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 utilized. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and losses carried forward, is based on estimates of future of earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

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, 2022, 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, 2022	Jan 1 – Dec 31, 2021
Statutory audit (excluding VAT)	29	4
Tax advisory services	-	-
Other non-audit services	-	-
Total	29	4

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, 2022	Jan 1 – Dec 31, 2021
Net foreign exchange loss / (gain)	(1)	(4)
Other financial expenses / (gain)	(53)	(31)
Total	(54)	(35)

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 50.0 million as of December 31, 2022 (2021: USD 25.0 million).

NOTE 5 INCOME TAXES

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<i>Tax expense consists of</i>		
Tax payable	6	1
Change in deferred tax	-	-
Tax expense (income)	6	1

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<i>Deferred tax</i>		
Tax loss carried forward	-	-
Tax loss carried forward, not recognized	-	-
Basis for deferred tax liability / (deferred tax asset)	-	-
Deferred tax asset	-	-
(Deferred tax liability)	-	-

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<i>Tax payable consists of</i>		
Profit before tax subject to ordinary income tax	25	31
Permanent differences	-	-
Changes in differences included in the basis for deferred / tax assets	-	-
Tax loss carried forward	-	(29)
Basis of tax charge for the year	25	2
Current tax payable of net income	6	1
Tax prepaid	-	-
Tax payable in accounts	6	1

NOTE 6 SUBSIDIARIES

Subsidiary (USD 1 000)	Denominated in	Registered office	Ownership/ voting rights	Equity 2022 (100%)	Result 2022 (100%)	Book Value (100%)
G2 Ocean AS	USD	Bergen	100 %	15 758	1 579	28 120
Book value at Dec 31, 2022						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 2022, the income statement, the statement of changes to equity and 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 2022, the consolidated income statement, the consolidated statement of changes to equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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



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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Bergen, 15 March 2023
PricewaterhouseCoopers AS


Marius Kaland Olsen
State Authorised Public Accountant



Norwegian Directorate of Taxes

Inquiries to
Torstein Kinden Helleland

Your date
01.11.2017

Our date
07.11.2017

Telephone
22078139

Your reference
Atle Nordby

Our reference
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
P.O. Box 9200 Grønland
0134 Oslo

Visiting address:
See www.skatteetaten.no
Org.nr: 996250318
E-mail: skatteetaten.no/sendepost

Telephone
800 80 000
Telefax
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