



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 921 196 598
Organisasjonsform: Aksjeselskap
Foretaksnavn: GRIEG SHIPPING III AS
Forretningsadresse: C. Sundts gate 17
5004 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Kari Teigland Tepstad
Dato for fastsettelse av årsregnskapet: 18.03.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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

Brønnøysundregistrene, 13.05.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	6	3 574 841	3 889 331
Sum inntekter		3 574 841	3 889 331
Kostnader			
Varekostnad		1 901 225	2 054 356
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	687 519	687 514
Annen driftskostnad	9	120 262	127 829
Sum kostnader		2 709 006	2 869 699
Driftsresultat		865 835	1 019 632
Finansinntekter og finanskostnader			
Annen renteinntekt		3 540	12 920
Annen finansinntekt		13 022	7 569
Sum finansinntekter		16 562	20 489
Rentekostnad til foretak i samme konsern	6	69 000	150 000
Annen rentekostnad		380 403	614 975
Annen finanskostnad		587	938
Sum finanskostnader		449 990	765 913
Netto finans		-433 428	-745 424
Ordinært resultat før skattekostnad		432 407	274 208
Ordinært resultat etter skattekostnad		432 407	274 208
Årsresultat		432 407	274 208
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		432 407	274 208
Sum overføringer og disponeringer		432 407	274 208



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	3	13 927 878	14 615 398
Sum varige driftsmidler		13 927 878	14 615 398
Sum anleggsmidler		13 927 878	14 615 398
Omløpsmidler			
Varer			
Varer			89 543
Sum varer			89 543
Fordringer			
Andre fordringer		477 260	137 286
Konsernfordringer	6	1 352 510	1 201 679
Sum fordringer		1 829 770	1 338 965
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		3 286	605
Sum bankinnskudd, kontanter og lignende		3 286	605
Sum omløpsmidler		1 833 056	1 429 113
SUM EIENDELER		15 760 934	16 044 511
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
10 000 aksjer a NOK 608	2,7	745 463	745 463
Annen innskutt egenkapital		4 808 269	4 808 269
Sum innskutt egenkapital		5 553 732	5 553 732



Balanse

Beløp i: USD	Note	2020	2019
Opptjent egenkapital			
Annen egenkapital	2	523 995	91 588
Sum opptjent egenkapital		523 995	91 588
Sum egenkapital		6 077 727	5 645 320
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5	8 800 000	9 600 000
Sum annen langsiktig gjeld		8 800 000	9 600 000
Sum langsiktig gjeld		8 800 000	9 600 000
Kortsiktig gjeld			
Leverandørgjeld		-492	55 574
Betalbar skatt	8	10 890	10 178
Kortsiktig konserngjeld	6	860 028	628 542
Annen kortsiktig gjeld		12 781	104 897
Sum kortsiktig gjeld		883 207	799 191
Sum gjeld		9 683 207	10 399 191
SUM EGENKAPITAL OG GJELD		15 760 934	16 044 511



BOARD OF DIRECTORS' REPORT 2020 GRIEG SHIPPING III AS

The business

Grieg Shipping III AS (the "Company") is a ship owning company and is part of the consolidated group of shipping activities controlled by Grieg Shipholding AS ("Grieg Shipholding" or "the Group"). Per year end 2020, Grieg Shipping III AS owned 1 semi open hatch vessel, which was acquired in September 2018.

The Company has its office in Bergen and is organized under the Norwegian tonnage tax system and has no employees. The Board of Directors consists of three members, two women and one man. The Company has in 2020 purchased a range of services from Grieg Shipholding within strategy, administration, IT and business processes, risk management as well as finance and accounting. During 2020, the ship management of vessels was outsourced from Grieg Star AS a subsidiary of Grieg Shipholding to Thome Ship Management. The services are regulated under management agreements.

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

Annual accounts

The rapid spread of Covid-19 cases and its devastating effects on human lives and livelihoods will forever define 2020. Although the annual result is impacted by the pandemic, being lower than foreseen at the outset of 2020, the Company's operations did better than feared when the pandemic started. With China being an important market, its lockdown was severely felt in the first quarter for open hatch activities. Earnings improved, however, throughout the year as the world adjusted to the new normal and the Company's vessel continued to operate in a safe manner.

The Company's operating revenues consist of freight income which was reduced from USD 3.9m in 2019 to USD 3.6m in 2020 due to market effects of covid-19. Total operating costs decreased from USD 2.9m in 2019 to USD 2.7m in 2020. The vessels' operating expenses was main contributor to this, decreasing from USD 2.1m in 2019 to USD 1.9m in 2020. Depreciation charges were unchanged with USD 0.7m.

With lower revenues, but also lower operating costs, the Company's operating profit decreased to USD 0.9m in 2020 vs. USD 1.0m in 2019.

Net financial items were minus USD 0.4m in 2020 vs. USD 0.7m in 2019 mainly as a result of the lower Libor rate which had a positive effect on the vessels' financing costs.

Altogether, the Company ended up with a pre-tax result of USD 0.4m in 2020 which was an improvement from a pre-tax result of USD 0.3m in 2019.



Long-term interest-bearing debt decreased from USD 9.6m per end of 2019 to USD 8.8m. The Company's book equity was USD 6.1m at year end 2020 (USD 5.6m), giving a 39% equity ratio (35%). By the end of 2020, the Company had total assets of USD 15.8m (USD 16.0m), with current assets accounting for USD 1.8m (USD 1.4m). Liquidity on the balance sheet date in the form of bank deposits and cash at hand was USD 1.4m including the Company's share of aggregated cash balance in the cash pool agreement the Company is part of¹.

Based on net cash flows from operations of USD 0.7m (USD 1.0m), no (0) cash flow from investments and net cash flow of USD 0.6m (USD 0.1m) from financing activities, net change in liquid funds in 2019 was USD 1.4m (USD 1.2m).

External environment

Shipping, transporting about 90% of world trade, is statistically the least environmentally damaging mode of transport when taking productivity into the equation. Still, emissions of greenhouse gases (GHG) from shipping constitutes about 2.5% of global emissions. In 2018, the IMO's Marine Environment Protection Committee (MEPC) adopted a new strategy to reduce GHG emissions from ships. Their vision is to reduce total annual GHG emissions by at least 50% by 2050, compared to 2008. The IMO targets align with the Group's environmental strategy and long-term goals towards 2030, aiming to be compliant or exceed any regulations before their due dates.

The Group's participation in ongoing R&D programs is part of meeting its environmental ambitions. An example of this is the SFI Smart Maritime project, enabling the Norwegian maritime cluster to be world-leading in 2025 in environmentally friendly shipping. The project has eight years duration, with expected completion in 2023. Exploration of new technologies and digitalisation is encouraged, as it enables better insight and more efficient operations. Several applications and initiatives were launched in 2020, as the Rayven contingency reporting tool, a process for remote dockings and the "red team" project together with G2 Ocean and Gearbulk, resulting in a significant reduction of fuel oil use.

The company's vessel has obtained its IHM and will have a ballast water treatment plant installed at its next dry docking. After implementing measures to eliminate single-use plastic on board, a 30% reduction of plastic disposal was also achieved in 2020.

Sustainability

In 2008, the Group committed to the ten principles of the UN Global Compact. In 2019 it became a participant of the same and joined the UNGC Action Platform for Sustainable Ocean Business. All in the recognition that no one is big enough to solve all these challenges themselves but need to work together with partners. Through the 2020 strategy process, management further reinforced that sustainability is not a separate policy with its own benchmarks but an integrated part of developing the future business. This is the only way the Group can contribute to the Grieg Group's ambitious purpose: "We shall restore our oceans".

The Group has for several years worked with the UN's Sustainable Development Goals. Particularly high on the agenda are the seven SDGs targeted as material to the Group's business activities as: "4. Quality Education", "5. Gender Equality", "9. Industry, Innovation and Infrastructure", "14. Life Below Water" and "15. Life on Land". For reporting on progress for 2020, the Group has continued to apply

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



the Norwegian Shipowners Association guidelines on sustainability reporting, aiming to show relevant and consistent reporting over time.

Risk

Grieg Shipping III AS is exposed to financial and market risks. This is mainly composed by risks related to the development of freight rates, ship values, currency, and interest rates. The vessel's earnings are to a large extent linked to long term cargo contracts as the Company's shipping activity is of an industrial character. This implies that revenues are less volatile than in the spot market and that changing market conditions generally have a delayed effect on the results. Changes in the interest rate affects the Company's financing. Currency risk is mainly related to the purchase of administrative services in Norway, local taxes, as well as some purchases related to the technical management of the fleet. The Company has defined strategies and policies that reduce both interest rate and currency risks.

The Company assumes counterparty risk in several areas of its business. Issues related to credit risk as well as sanctions regulations are part of the daily business. The Maritime Anti-Corruption Network (MACN) membership is one tool to fight and report corruption and facilitation payments actively. Identifying, understanding, and acting to reduce the Group's security risks, particularly cyber threats, has been in focus also in 2020. Going forward, strong attention will be given to climate transition risk, where assessing and defining a decarbonisation roadmap for the Company's vessel will be central.

The market and outlook

2020 was a year for the history books where Covid-19 materially affected private behaviour and consumption, and general business cycles. World seaborne trade with shipping of dry cargo remained surprisingly strong. According to BIMCO, in the full year of 2020, global container shipping volumes fell by only 1.2% compared with 2019, much less than feared. Overall, total dry bulk tonnes transported fell by 1.3% to 5.49 billion tonnes. However, with strong growth in Chinese imports, which on average has a longer sailing distance than the rest of the world, the overall tonne-mile demand grew by 0.9%. Most challenging for the shipping sector in 2020 has, however, been the operational handling and change of crew for the vessels, which affected vessel efficiency and thus earnings.

For open hatch, the negative impact on global trade was less severe in 2020 than initially thought. Some key commodities like market pulp and paper & board fared well, whereas others like soda ash and steel suffered. Going forward, the overall outlook for world market pulp demand looks solid and is expected to continue with stable growth in seaborne volumes, primarily from the Americas to Asia. With increased project cargo volumes, the vessels' commercial manager G2 Ocean remains optimistic about current and next years' performance.

Going concern and allocation of profit

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 Company's financial position and expectations of future earnings.

The Board of Directors believes that the submitted annual accounts give a correct picture of Grieg International II AS' assets and liabilities as well as financial position and results, and recommends that the profit after tax of USD 432,407 (USD 274,206) is allocated as follows:



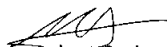
To other equity: USD 432,407
Total allocations: USD 432,407

Oslo, 18 March 2021
The Board of Directors of Grieg Shipping III AS


Elisabeth Grieg
Board Member


Camilla Grieg
Chair


Kai Grøtterud
Board Member


Matthew Robert Cagienard Duke
CEO



INCOME STATEMENT

GRIEG SHIPPING III AS			
		2020	2019
REVENUES	Note		
Operating revenues	6	3,574,841	3,889,331
Total revenues		3,574,841	3,889,331
Operating expenses			
Vessel operating expenses		1,901,225	2,054,356
Other operating expenses	9	120,262	127,829
Depreciation	3	687,519	687,514
Total operating expenses		2,709,006	2,869,700
Operating profit		865,835	1,019,631
Financial items			
Interest income		3,540	12,920
Interest expenses		-380,403	-614,975
Interest expenses group	6	-69,000	-150,000
Other financial expenses		-587	-938
Gain/loss on foreign exchange		13,022	7,569
Total financial items		-433,428	-745,424
Profit before tax		432,407	274,206
Tax		0	0
Profit for the year		432,407	274,206
Transferred to (from) other equity		432,407	274,206
Total allocation		-432,407	-274,206



BALANCE SHEET AS OF 31.12


GRIEG SHIPPING III AS			
ASSETS	Note	2020	2019
Tangible assets			
Vessels	3	<u>13,927,878</u>	<u>14,615,398</u>
Total fixed tangible assets		<u>13,927,878</u>	<u>14,615,398</u>
SUM ANLEGGSMIDLER		<u>13,927,878</u>	<u>14,615,398</u>
CURRENT ASSETS			
Receivables from group companies	6	1,352,510	1,201,679
Inventory		0	89,543
Other receivables		477,260	137,286
Bank deposits, cash in hand, etc		<u>3,285</u>	<u>604</u>
Total current assets		<u>1,833,055</u>	<u>1,429,113</u>
TOTAL ASSETS		<u>15,760,934</u>	<u>16,044,511</u>

**BALANCE SHEET AS OF 31.12****GRIEG SHIPPING III AS**

EQUITY AND LIABILITIES	Note	2020	2019
Paid-in capital			
Share capital (10.000 shares of NOK 608)	2, 7	745,463	745,463
Share premium reserve	2	4,808,269	4,808,269
Total paid-in capital		5,553,732	5,553,732
Retained earnings			
Other equity	2	523,994	91,587
Other equity		523,994	91,587
Total equity	2	6,077,727	5,645,320
Long-term debt			
Liabilities to financial institutions	5	8,800,000	9,600,000
Total long-term liabilities		8,800,000	9,600,000
Current liabilities			
Liabilities to group companies	6	860,028	628,542
Accounts payable		-492	55,574
Taxes payable	8	10,890	10,178
Other current debt		12,781	104,897
Total current liabilities		883,207	799,191
TOTAL EQUITY AND LIABILITIES		15,760,934	16,044,511

Bergen, 18.03.2021
The board of GRIEG SHIPPING III AS


Camilla Grieg
Chair


Elisabeth Grieg
Board Member


Kai Grøtterud
Board Member


Matthew R. C. Duke
CEO



Cash flow statement Grieg Shipping III AS

	2020	2019
Cash flow from operations		
Profit before income taxes	462 517	274 207
Change in tonnage tax provision, classified as operating expenses	-10 178	7 572
Taxes paid in period	-	-
Depreciation	687 519	687 514
Change in inventory	89 543	-6 494
Change in trade debtors	-55 082	44 242
Change in other provisions	-433 092	27 560
Net cash flow from operations	741 228	1 034 601
Cash flow from investments		
Purchase of fixed assets	-	-
Net cash flow from investments	-	-
Cash flow from financing		
Proceeds from long term loan	-	-
Repayment of long term loans	-800 000	-800 000
Capital increase	-	-
Proceeds intercompany	1 413 963	936 405
Net cash flow from financing	613 963	136 405
Net change in cash and cash equivalents	1 355 191	1 171 006
Cash and cash equivalents at start of period	604	15 055
Cash and cash equivalents at the end of the period	1 355 795	1 186 061
Cash and cash equivalents at the end of the period consists of:		
Bank deposits	2 851	604
Bank deposits within Grieg Shipowning AS cash pool agreement	1 352 943	1 185 457
Sum	1 355 795	1 186 061
	0	0



Grieg Shipping III AS
Notes to the financial statement for 2020

Note 1 Accounting principles

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

Operating revenues

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

Classification and valuation of balance sheet items

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

Acquisition cost

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

Asset impairments

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The company's vessel has been sailing in a pool marketed and operated by G2 Ocean AS. Having the vessels sailing in a pool means that the operational use of the vessels, including optimisation of routes, is combined for the fleet. Earnings of each individual vessel is therefore affected by the earnings of other vessels in the pool. The fleet is therefore considered to be the cash-generating unit. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each date.

Receivables

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

Foreign currency

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

Foreign exchange hedging

Derivatives purchased in order to reduce currency risk are treated as hedging transactions for accounting purposes. Gains and losses on foreign exchange contracts are therefore recognised in the same period as the hedged transactions. Unrealised gain/loss on the hedging contracts is not posted on the balance sheet.

Interest rate hedging

Interest rate hedging contracts are recognised and classified in the same way as the related mortgage loan. The interest received/paid under the contract is therefore recognised in the interest period in the question and is included in interest expenses for the period. Unrealised gain/loss on the hedging contracts is not posted on the balance sheet.

Fixed assets

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

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



Grieg Shipping III AS
Notes to the financial statement for 2020

Taxes

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

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

Cash flow statement

Cash flow statement are prepared according to the indirect method. Accordingly, the cash flows from, investment and financing activities are reported gross, while the accounting result is reconciled against the net cash flow from operations. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments that can immediately and with minimal exchange rate risk be converted into a known amount with due date less than three months from the purchase date.

Group account cash pool agreement

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

Estimates

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

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

Presentation currency

The company's functional currency is USD as most of the company's revenues and operating costs are realized in USD.

Note 2 Equity				
Figures in USD 1 000				
Changes in equity	Share capital	Share premium	Other equity	Total
Equity at 01.01.	745	4,808	92	5,646
Profit for the year			432	432
Equity at 31.12	745	4,808	524	6,078

Note 3 Fixed Assets			
Figures in USD 1 000			
	Vessels	Docking	Total
Purchase cost at 01.01	15,475		15,475
Additions			0
Transferred from new buildings			0
Disposals			0
Purchase cost at 31.12	15,475	0	15,475
Accumulated depreciation at 31.12	1,547	0	1,547
Book value at 31.12	13,928	0	13,928

Depreciation	688	
Depreciation plan	Straight line	Straight line
Expected useful life	30 years	5 years

At 31.12.20 the company has no new building contracts.



Grieg Shipping III AS
Notes to the financial statement for 2020

Note 4 Debtors which fall due later than one year

Figures in USD 1 000

The company has no receivables which fall due later than one year.

Note 5 Interest bearing debt and credit facilities**Mortgage loans**

At 31.12.20 the company has one loan. The loan is denominated in USD.

Covenants

Loan is secured with mortgage and guaranteed by Grieg Shipowning AS. Grieg Shipowning AS has financial covenants including minimum MUUSD 25 / 5% of interest bearing debt in liquidity and minimum 25% book equity.

The company has been in compliance with the covenants throughout the year.

Long term liabilities which fall due later than 5 years

Figures in USD 1 000

	2020	2019
Liabilities to credit institutions	0	0
	2020	2019

Liabilities secured by mortgage (1st priority)

8,800 **9,600**

Book value of assets pledged as security:

Vessels	13,928	14,615
New building contracts		0
Total	13,928	14,615

Note 6 Intercompany balances and transactions with related parties

Figures in USD 1 000

Transactions with related parties

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

Company	Relation	Type of services	2020	2019
Operating revenue from associated companies				
G2 Ocean AS	Associated company	Time charter	3,575	3,889

Grieg Shipping III AS is administratively and financially managed by Grieg Shipholding AS and pays annual management fee for such services. During 2020 ship management for the company's vessel was outsourced to Thome Ship Management, previously held by Grieg Star AS. The ship management service is remunerated through an annual ship management fee. In addition, the company purchases services from Grieg Star AS related to following up various vessel operational and development matters.

Grieg Shipholding AS	Group company	Management	90	49
Grieg Star AS	Group company	Management	125	281
Total			215	330



Grieg Shipping III AS
Notes to the financial statement for 2020

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

Net financial items				
Grieg Shipowning AS	Group company	Interest expense	-69	-150
Total			-69	-150

Balances with group companies and related parties

Other short-term receivables		2020	2019
Grieg Shipholding AS	Group company	0	1,193
Grieg Shipowning AS *)	Group company	1,353	0
Grieg Star OH Pool AS	Group company	0	8
Grieg Shipping II AS	Group company		
Sum		1,353	1,202

*) USD 1.353 of the receivable from Grieg Shipowning AS in 2020 is related to the "shipowning" account cash pool.

Net short term receivables with associated companies		2020	2019
G2 Ocean AS	Associated company	0	0
Sum		0	0

The balance is posted as accounts receivable.

Other current liabilities		2020	2019
Grieg Star AS	Group company	15	0
Grieg Shipholding AS	Group company	4	0
Grieg Star OH Pool AS	Group company	35	0
Grieg Shipping II AS	Group company	0	150
Grieg International II AS	Group company	806	479
Sum		860	629

Note 7 Share capital and shareholders information

The parent company, Grieg Shipholding AS has its registered office in Bergen (C. Sundtsgate 17/19), where the consolidated financial statements are available.

The share capital consists of 10 000 shares with nominal value of NOK 608 each.

Shareholders at 31.12	Number of shares	Ownership
Grieg Star Group AS	10,000	100%
Total shares	10,000	100%



Grieg Shipping III AS
Notes to the financial statement for 2020

Note 8 Taxes

Figures in USD 1 000

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

	2020	2019
Tax expense consists of:		
Tax payable on taxable income	0	0
Change in deferred tax	0	0
Tax expense	0	0
Tonnage tax (booked as operating cost)	11	10
Deferred tax:		
Revaluation account	-42	-48
Financial losses brought forward	-123	-47
Basis for deferred tax/deferred tax asset	-165	-95
Deferred tax/deferred tax asset (22%)	-36	-21
Deferred tax benefit not shown in the balance sheet	36	21
Deferred tax benefit in the balance sheet	0	0

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

Tax payable in the balance sheet:

Taxable financial income	0	0
Tonnage tax	11	10
Tax payable in the balance sheet	11	10

Note 9 Payroll expenses, auditor's fee etc.

Figures in USD 1 000

Payroll expenses, number of employees, remuneration etc.

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

Auditor's fee	2020	2019
Statutory audit (incl. technical assistance with financial statements)	9	4
Tax advisory fee (incl. technical assistance with tax return)	1	3
Other non-audit services		
Total fees to auditor, excl VAT	10	7

Note 10 Financial risk management

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

Interest rate risk

The company's long term debt is at floating interest rate terms, exposing the company to interest rate risk.

The company's strategy is to hedge its interest rate exposure by utilizing interest rate swap agreements.

Gains and losses arising from interest rate swaps are recognised in the same period as the related interest expense.

At 31.12.20 the company had not entered into interest rate swaps agreements.

Foreign exchange risk

The company hedges, from time to time, expenditures in currencies other than USD through forward contracts. At 31.12.20 the company had not entered into hedging through the use of currency swaps.



To the General Meeting of Grieg Shipping III AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Grieg Shipping III AS, which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



Independent Auditor's Report - Grieg Shipping III AS



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(2)



Independent Auditor's Report - Grieg Shipping III AS



Bergen, 18 March 2021
PricewaterhouseCoopers AS

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

(3)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name
Haugervåg, Jon

Method
BANKID_MOBILE

Date
2021-03-25 16:28

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of the document.



Skatteetaten

Vår dato 12.12.2018	Din dato 26.11.2018	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din referanse Kari T. Tøpstad	Telefon 22078139
Org.nr 996250318	Vår referanse 2012/490448	Postadresse Postboks 9200 Grønland 0134 Oslo

GRIEG STAR GROUP AS
Postboks 781
5807 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Grieg Shipping III AS, org.nr. 921 196 598

Vi viser til deres brev av 26. november 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Grieg Shipping III AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Grieg Shipping III AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Grieg Shipping III AS et nytt selskap i Grieg Star Group AS. Alle de øvrige konsernselskapene har tidligere fått dispensasjon til å benytte engelsk språk. Grieg Star Group driver sin virksomhet innenfor internasjonal industriell shipping. Gruppen har egne skip, men benytter i tillegg innleid tonnasje. Det vesentlige av virksomheten foregår i utlandet. Majoriteten av de ansatte er også utenlandske. Shipping er en internasjonal bransje og skipene opererer rundt i hele verden og har internasjonale motparter for de ulike reiser som utføres. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Det interne arbeidsspråket i selskapene er også engelsk og all intern rapportering skjer på dette språket. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Efter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk.*

Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

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

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og



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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet inngår i et konsern hvor de øvrige konsernselskapene har dispensasjon til å benytte engelsk. Konsernets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at konsernet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Skattedirektoratet

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

GRIEG SHIPPING GROUP AS
Postboks 781
5807 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

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

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

Bakgrunn

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

Skattedirektoratets vurdering

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

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For elektronisk henvendelse se www.skatteetaten.no



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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland