



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 982 706 645
Organisasjonsform: Aksjeselskap
Foretaksnavn: GRIEG SHIPOWNING AS
Forretningsadresse: C Sundtsgate 17/19
5007 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Kari t Tepstad
Dato for fastsettelse av årsregnskapet: 29.03.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 05.05.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad		150 000	256 000
Sum kostnader		150 000	256 000
Driftsresultat		-150 000	-256 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	8	8 070 000	8 634 000
Annen renteinntekt		2 000	646 000
Annen finansinntekt		240 000	187 000
Verdiøkning andre finansielle instrumenter vurdert til virkelig verdi		2 000	
Sum finansinntekter		8 314 000	9 467 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi			220 000
Nedskrivning av finansielle eiendeler			85 656 000
Rentekostnad til foretak i samme konsern	8	1 805 000	1 500 000
Annen rentekostnad		7 964 000	7 251 000
Annen finanskostnad		135 000	
Sum finanskostnader		9 904 000	94 627 000
Netto finans		-1 590 000	-85 160 000
Ordinært resultat før skattekostnad		-1 740 000	-85 416 000
Skattekostnad på ordinært resultat	10	-421 000	82 000
Ordinært resultat etter skattekostnad		-1 319 000	-85 498 000
Årsresultat		-1 319 000	-85 498 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-1 319 000	-85 498 000
Sum overføringer og disponeringer		-1 319 000	-85 498 000



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	10	807 000	386 000
Sum immaterielle eiendeler		807 000	386 000
Finansielle anleggsmidler			
Investering i datterselskap	4	217 353 000	217 513 000
Lån til foretak i samme konsern	8	224 762 000	186 756 000
Investeringer i aksjer og andeler	5	123 000	123 000
Sum finansielle anleggsmidler		442 238 000	404 392 000
Sum anleggsmidler		443 045 000	404 778 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer			7 000
Konsernfordringer	8	1 691 000	2 040 000
Sum fordringer		1 691 000	2 047 000
Investeringer			
Andre finansielle instrumenter	6	829 000	848 000
Sum investeringer		829 000	848 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		19 530 000	25 431 000
Sum bankinnskudd, kontanter og lignende		19 530 000	25 431 000
Sum omløpsmidler		22 050 000	28 326 000
SUM EIENDELER		465 095 000	433 104 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Selskapskapital	2,9	11 606 000	11 606 000
Annen innskutt egenkapital		236 738 000	236 738 000
Sum innskutt egenkapital		248 344 000	248 344 000
Opptjent egenkapital			
Annen egenkapital		-36 427 000	-35 137 000
Sum opptjent egenkapital		-36 427 000	-35 137 000
Sum egenkapital		211 917 000	213 207 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	7	237 213 000	198 401 000
Langsiktig konserngjeld	8		2 720 000
Sum annen langsiktig gjeld		237 213 000	201 121 000
Sum langsiktig gjeld		237 213 000	201 121 000
Kortsiktig gjeld			
Leverandørgjeld			10 000
Kortsiktig konserngjeld	8	15 105 000	16 710 000
Annen kortsiktig gjeld		860 000	2 028 000
Sum kortsiktig gjeld		15 965 000	18 748 000
Sum gjeld		253 178 000	219 869 000
SUM EGENKAPITAL OG GJELD		465 095 000	433 076 000



Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		159 186 000	136 501 000
Gevinst v salg skip		157 000	55 000
Sum inntekter		159 343 000	136 556 000
Kostnader			
Driftskostnader skip		75 513 000	67 171 000
Bareboat- og TC hyre	13	17 665 000	18 919 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	31 143 000	37 828 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler			83 234 000
Annen driftskostnad	11	4 142 000	3 770 000
Sum kostnader		128 463 000	210 922 000
Driftsresultat		30 880 000	-74 366 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	8	567 000	150 000
Annen renteinntekt		2 000	47 000
Annen finansinntekt		1 860 000	1 267 000
Sum finansinntekter		2 429 000	1 464 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi		325 000	305 000
Rentekostnad til foretak i samme konsern	8	782 000	1 711 000
Annen rentekostnad		17 004 000	18 602 000
Annen finanskostnad		31 000	51 000
Sum finanskostnader		18 142 000	20 669 000
Netto finans		-15 713 000	-19 205 000
Ordinært resultat før skattekostnad		15 167 000	-93 571 000
Skattekostnad på ordinært resultat		-424 000	85 000
Ordinært resultat etter skattekostnad		15 591 000	-93 656 000
Årsresultat		15 591 000	-93 656 000



Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
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Konsernets balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	10	728 000	225 000
Sum immaterielle eiendeler		728 000	225 000
Varige driftsmidler			
Skip, rigger, fly og lignende	3	515 666 000	550 820 000
Sum varige driftsmidler		515 666 000	550 820 000
Finansielle anleggsmidler			
Investeringer i aksjer og andeler	5	123 000	123 000
Andre fordringer		2 827 000	3 096 000
Sum finansielle anleggsmidler		2 950 000	3 219 000
Sum anleggsmidler		519 344 000	554 264 000
Omløpsmidler			
Varer			
Varer		3 388 000	2 307 000
Sum varer		3 388 000	2 307 000
Fordringer			
Kundefordringer		6 320 000	6 105 000
Konsernfordringer	8	867 000	1 030 000
Sum fordringer		7 187 000	7 135 000
Investeringer			
Andre finansielle instrumenter	6	25 052 000	13 967 000
Sum investeringer		25 052 000	13 967 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		19 543 000	25 448 000
Sum bankinnskudd, kontanter og lignende		19 543 000	25 448 000
Sum omløpsmidler		55 170 000	48 857 000



Konsernets balanse

Beløp i: USD	Note	2021	2020
SUM EIENDELER		574 514 000	603 121 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		11 606 000	11 606 000
Annen innskutt egenkapital		236 738 000	236 738 000
Sum innskutt egenkapital		248 344 000	248 344 000
Opptjent egenkapital			
Annen egenkapital		-18 629 000	-34 405 000
Minoritetsinteresser		215 000	
Sum opptjent egenkapital		-18 414 000	-34 405 000
Sum egenkapital		229 930 000	213 939 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	7	263 703 000	288 052 000
Langsiktig konserngjeld	8	18 638 000	33 857 000
Øvrig langsiktig gjeld		54 031 000	57 572 000
Sum annen langsiktig gjeld		336 372 000	379 481 000
Sum langsiktig gjeld		336 372 000	379 481 000
Kortsiktig gjeld			
Leverandørgjeld		1 143 000	784 000
Betalbar skatt		389 000	370 000
Kortsiktig konserngjeld	8	3 129 000	3 261 000
Annen kortsiktig gjeld		3 552 000	5 288 000
Sum kortsiktig gjeld		8 213 000	9 703 000
Sum gjeld		344 585 000	389 184 000



Konsernets balanse

Beløp i: USD	Note	2021	2020
SUM EGENKAPITAL OG GJELD		574 515 000	603 123 000



DIRECTORS' REPORT 2021

GRIEG SHIPOWNING AS - CONSOLIDATED

The Business

Grieg Shipowning AS (the "Company") is a ship owning holding company in the consolidated group of shipping activities controlled by Grieg Shipholding Group AS ("Grieg Shipholding" or "the Group"). Grieg Shipowning AS owns all the shares in the open hatch ship owning companies Grieg Shipping II AS, Grieg Shipping III AS and Grieg International II AS. Through these three subsidiaries, the Company controlled 31 open hatch vessels at year end 2021, including vessels on bareboat and long-term time charter.

The Company has its office in Bergen and has no employees. Its Board of Directors consists of six members, three women and three men. The Company has during 2021 purchased a range of services from Grieg Maritime Group (the shareholder of Grieg Shipholding) within strategy, administration, IT accounting, finance, legal and business development. Another group company, Grieg Star AS, is responsible for the ship management of the majority of the subsidiaries' fleet. The services are regulated under management agreements.

The subsidiaries' vessels are 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 2017. G2 Ocean operates 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

Consolidated result, balance sheet and cash flow

While Covid-19 continues to hamper and challenge daily operations, the world's return to a more normal, together with the effects from pent up demand, brought strong market earnings as the Company delivers its strongest result in a decade. In total, consolidated operating revenues ended up at USD 159.3m in 2021 (USD 136.6m). A significant driver of the improvement in freight earnings, was not only higher demand for transportation of consumer products and goods for infrastructure development, but also reduced productivity in ports due to Covid-19 restrictions, tying up a considerable part of the trading fleet when waiting for berth.

Total operating costs before depreciations and write-downs increased to USD 97.3m (USD 89.9m). The vessels' operating expenses being the main cost item increased to USD 75.5m (USD 67.2m). The increase was mainly caused by vessel upgrades and repairs and extraordinary costs for coping with Covid-19 related to increased crew travel costs, quarantine hotels and price increases on spare parts and forwarding costs. The cost for hiring in vessels on bareboat and time charter decreased to USD 17.7m (USD 18.9m). With this, consolidated EBITDA increased to USD 61.0m (USD 46.7m).



Depreciation costs decreased to USD 31.1m (USD 38.8m). The main reason for this is the effect of the write-down carried out on the Company's open hatch fleet in 2020. With this, Grieg Shipowing consolidated operating profit increased to USD 30.9m in 2021 (USD -74.4m).

Net financial items were minus USD 15.7 in 2021 (USD - 19.2m). With Company financing costs positively influenced by a lower Libor rate, total interest rate costs and financing fees decreased to USD 17.0m (USD 18.6m). The net effect from foreign exchange also contributed with a gain of USD 1.5m in 2021. Altogether, the consolidated pre-tax result ended up at USD 15.2m (USD -93.6m).

Total long-term interest-bearing debt decreased to USD 317.7m (USD 345.6m). Book equity was USD 229.9m at year end 2021 (USD 214.0m) and total assets USD 574.5m (USD 603.2m) implying an equity ratio of 40% (35%). Current assets accounted for USD 55.2m (USD 48.9m), while liquidity on the balance sheet date in the form of bank deposits and cash including market-based investments was USD 19.5m¹.

Based on net cash flows from operations of USD 50.3m (USD 34.6m), cash flow from investments of minus USD 13.1 (USD 2.5m) and net cash flow of minus USD 43.1m (USD -31.4m) from financing activities, Grieg Shipowing's consolidated net change in liquid funds in 2021 was minus USD 5.9m (USD 5.7m).

Company result and balance sheet

The Company itself had no operating revenues in 2021 and neither in 2020, given the nature of its business. Operating expenses were USD 0.2m in 2021, slightly was down from the previous year (USD 0.3m).

Grieg Shipowing AS has over the last years to a large extent taken over the role as the external financial lender of the Group's open hatch activities. The loans are however guaranteed by the respective open hatch ship owning companies. Based on net financial items of minus USD 1.6m in 2021 (USD - 85.2m), the Company's ended up with a loss before tax of minus USD 1.7m in 2021 being a significant improvement from 2020 (USD -85.5m), when the results were impacted by a write-down of shares in its subsidiaries (USD - 85.5m).

Company long-term interest-bearing debt at year end 2021 was USD 237.2m (USD 198.4m). Book equity was USD 211.9m at year end 2021 (USD 213.1m), implying an equity ratio of 46% (53%), while total assets were USD 465.1m (USD 433.1m), with current assets accounting for USD 22.0m (USD 28.3m).

External Environment

Transporting about 90% of world trade, shipping is statistically the least environmentally damaging mode of transport when taking productivity into the equation. Still, its emissions of greenhouse gases (GHG) constitute about 2.5% of global emissions. In addition to compliance with the requirements of the International Maritime Organisation, the Group intends to reduce GHG emissions per transported unit by minimum 40% by 2030 from 2008 levels. The ambition is to be net zero by 2050.

Over the course of 2021 a significant amount of work has been put into increasing awareness and competence for creating a decarbonization road map for the Group's vessels, moving the organization from understanding the challenge to ideating solutions. Among specific actions is the

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preparation of individual carbon improvements plans (SEEMP) for each ship on how to keep their carbon intensity (CII) within gradually stricter limits after 2023. Defining various measures to reduce emissions are considered on a broad basis, of which several will need qualified testing. For example, was the planning for testing biofuel as alternative fuel for vessel propulsion started, with physical testing to be carried out on one of the open hatch vessels early 2022.

As the Grieg Shipowning's vessels are being dry docked, ballast water treatment plants are being installed. This project will be completed for all ships by the end of 2023, while all vessels in the fleet have obtained their IHM.

Sustainability

Grieg Maritime Group is committed to the ten principles of the UN Global Compact, is a member of the UNGC Action Platform for Sustainable Ocean Business and has for several years worked with the UN's Sustainable Development Goals ("SDGs"). For reporting on progress, the Group primarily adheres to the Norwegian Shipowners Association's guidelines on sustainability reporting but applies also other measures to reflect the wider scope of the Group's business activities and to report on progress towards selected SDGs. Seven SDGs are targeted as material to Grieg Maritime Group's activities: "4. Quality Education", "5. Gender Equality", "9. Industry, Innovation and Infrastructure", "12. Responsible Consumption and Production", "13. Climate Action", "14. Life Below Water" and "15. Life on Land". These form the basis for the overall strategy and its objectives, all having accompanying KPIs at business unit level, being the foundation for daily operations, development initiatives and investments.

The businesses in Grieg Maritime Group are not subject to the reporting regulations coming into force as part of the EU taxonomy. There are, however, strong expectations that one will be indirectly affected through its stakeholders' reporting requirements.

Enterprise Risk & Compliance

Grieg Shipowning is both directly and indirectly exposed to financial and market risks. Changing equity prices and interest rates affect the Company's and its subsidiaries financial investments and loans. Most of these risks are strongly correlated to macro-economic development. The financial portfolios are managed under a long-term strategy reflecting Grieg Maritime Group's business principles and risk capacity to ensure that the portfolio can withstand market fluctuations. There are policies in place to reduce interest rate risk related to the fleet's funding.

The Company's subsidiaries are in addition exposed to the development in freight rates, ship values and currency. The fleets' earnings are, however, to a large extent linked to long term cargo contracts as the shipping activities are 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. The 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 and investments in NOK denominated funds. The Group has defined strategies and policies that reduce the currency risks.

For operational risk, Covid-19 has been among the highest risk also during 2021. With limited ability to travel, it has been another year of not being able to physically inspect the vessels. Although remote technical inspections have taken place, uncertainties around vessel conditions and planning for upcoming dry dockings are higher than normal. Environmental spills and violations are risks always prevailing for shipping operations. Drills are carried out regularly to ensure that the team is



prepared for handling various incidents, and whenever an incident occurs an Emergency Preparedness Team convenes.

Counter party and credit risk as well as sanctions regulations are part of the subsidiaries' daily business with corresponding routines and systems for control. The Maritime Anti-Corruption Network membership is one of the tools used to fight and report corruption and facilitation payments actively. Reducing the risk for cyber-attacks has had high focus also in 2021. Considerable improvements have been made to the IT infrastructure. Insurance is taken out for the members of the Board and the General Manager for their personal liability for property damage that they may incur in connection with the performance of their duties. The insurance is taken out with an international insurance company with a solid rating.

With the improved financial results, a lower debt level and an improved market forecast, Grieg Shipowning AS' liquidity risk has been significantly reduced during the last 12 months.

The Market and Outlook

The recovery in global seaborne trade that starting late 2020 continued throughout 2021, with cargo volumes reaching pre-Covid-19 levels by mid-2021, and dry bulk trade growing 4% in 2021 year-on-year. The minor bulk trade played a key role in the rebound driven by strong demand for commodities as forest products, aluminum steel and minerals. When the dry bulk fleet grew with 3.6% only, this resulted in a significant increase in dry bulk freight rates and asset values. With a projected growth in seaborne trade of 2.2% in 2022 and fleet growth of 1.6%, rates are expected to continue to stay strong also in 2022.

Shipments of market pulp, the single most important commodity for the Group's open hatch activities declined by 1.8m metric tons in 2021, down to 59.9m metric tons. This was contrary to the global economic rebound and mainly a result of cyclical forces and significant logistical bottlenecks. Shipments are however expected to rise by 2.4m metric tons in 2022, based on the assumption of a recovery in supply chain efficiencies, catching up on order backlogs, and a rebuilding of stocks. As in 2021, open hatch is also expected to get tailwind from a strong container market. The container sector experienced the highest rate increases of all shipping segments in 2021 with a 260% increase in rates, driven not only by exceptionally strong demand, but severe port congestion and logistical disruptions.

As the supply-demand balances remain tight in the near term, Grieg Maritime Group in summary believes in a robust shipping market in 2022, with minor bulk continuing to play a key role in trade growth, the container and charter market remaining high and disruptions in ports continuing as a challenge.

Going Concern

The Board of Directors confirms that the annual accounts have been prepared on the basis of the going concern assumption and that this assumption is valid. The consideration is based on the 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 Shipowning AS' assets and liabilities as well as financial position and results.

No material events that affect the financial position have taken place after the balance sheet date. However, the invasion of Ukraine and subsequent sanctions towards Russia is likely to affect



operations going forward. In addition to witnessing the unfolding of a human catastrophe, the outlook on world economics and safety has become more uncertain.

Bergen, 29 March 2022
The Board of Directors of Grieg Shipowning AS


Elisabeth Grieg
Board Member



Camilla Grieg
Chair


Didrik O. Munch
Board Member


Kai Grøtterud
Board Member


Nada Ahmed
Board Member


Rune Birkeland
Board Member


Matthew Robert Cagienard Duke
CEO



GRIEG SHIPOWNING AS figures in usd 1 000)				INCOME STATEMENT		GRIEG SHIPOWNING CONSOLIDATED (figures in usd 1 000)	
2021	2020	Note		2021	2020		
			Revenues				
			Operating revenue	159,186	136,501		
			Gain from sale of vessels	157	55		
<u>0</u>	<u>0</u>		Total revenues	<u>159,344</u>	<u>136,556</u>		
			Operating expenses				
150	256	11	Vessel operating expenses	75,513	67,171		
		13	Other operating expenses	4,142	3,770		
		3	Bareboat- and T/C hire	17,665	18,919		
		3	Depreciation	31,143	37,828		
		3	Impairment loss of fixed assets	0	83,234		
<u>150</u>	<u>256</u>		Total operating expenses	<u>128,464</u>	<u>210,922</u>		
-150	-256		Operating profit	30,880	-74,366		
			Financial items				
2	646		Interest income	2	47		
8,070	8,634	8	Interest income group	567	150		
240			Other financial income	58	636		
-7,964	-7,252		Interest expenses	-17,004	-18,602		
-1,805	-1,500	8	Interest expenses group	-782	-1,711		
	-85,656		Writedown of shares in sub.	0	0		
2	-220		Change in value of financial investments	-325	-305		
0	3	6	Realized return on marked-based fin. Investm.	325	588		
			Other financial expenses	-31	-51		
<u>-134</u>	<u>184</u>		Gain/loss on foreign exchange	<u>1,477</u>	<u>43</u>		
<u>-1,590</u>	<u>-85,160</u>		Total financial items	<u>-15,713</u>	<u>-19,204</u>		
-1,740	-85,417		Profit before tax	15,167	-93,570		
421	-81	10	Taxes	424	-85		
<u>-1,319</u>	<u>-85,498</u>		Profit for the year	15,591	-93,655		



GRIEG SHIPOWNING AS (figures in usd 1 000)		BALANCE SHEET		GRIEG SHIPOWNING CONSOLIDATED (figures in usd 1 000)	
2021	2020	Note		2021	2020
			Intangible fixed assets		
807	386	10	Deferred tax assets	728	225
<u>807</u>	<u>386</u>		Total intangible fixed assets	<u>728</u>	<u>225</u>
			Tangible assets		
		3	Vessels	514,493	550,510
		3	Project in progress	1,173	310
<u>0</u>	<u>0</u>		Total fixed tangible assets	<u>515,666</u>	<u>550,820</u>
807	386		Total fixed assets	516,394	551,045
			Financial assets		
217,353	217,513	4	Investments in subsidiaries	0	0
224,762	186,756	8	Loan to group companies	0	0
			Long term receivables	2,827	3,096
123	123	5	Investment in shares	123	123
<u>442,238</u>	<u>404,391</u>		Total financial assets	<u>2,950</u>	<u>3,219</u>
			Current assets		
1,691	2,040	8	Receivables from group companies	867	1,030
			Inventory	3,388	2,307
0	7		Other receivables	6,320	6,105
829	848	6	Market based investments	25,052	13,967
19,530	25,431		Bank deposits, cash in hand, etc	19,543	25,448
<u>22,050</u>	<u>28,326</u>		Total current assets	<u>55,170</u>	<u>48,858</u>
465,095	433,104		TOTAL ASSETS	574,513	603,122



GRIEG SHIPOWNING AS (figures in usd 1 000)			BALANCE SHEET	GRIEG SHIPOWNING CONSOLIDATED (figures in usd 1 000)	
2021	2020	Note		2021	2020
			Equity and liabilities		
			Paid-in capital		
11,606	11,606	2.9	Share capital	11,606	11,606
236,738	236,738		Other paid-in equity	236,738	236,738
<u>248,343</u>	<u>248,343</u>		Total restricted equity	<u>248,343</u>	<u>248,343</u>
			Retained earnings		
-36,426	-35,137	2	Other equity	-18,629	-34,405
-36,426	-35,137		Minority interest	215	
			Total retained equity	<u>-18,414</u>	<u>-34,405</u>
<u>211,917</u>	<u>248,343</u>		Total equity	<u>229,929</u>	<u>213,938</u>
			Liabilities		
			Provisions		
0	0		Deferred tax	0	0
			Total provisions	<u>0</u>	<u>0</u>
			Long-term debt		
237,213	198,401	7	Liabilities to financial institutions	263,703	288,052
		7	Other long-term debt	54,031	57,572
	2,720	8	Long-term liabilities to group companies	18,638	33,857
<u>237,213</u>	<u>201,120</u>		Total long-term liabilities	<u>336,371</u>	<u>379,481</u>
			Current liabilities		
15,105	16,710	8	Liabilities to group companies	3,129	3,261
	10		Accounts payable	1,143	784
			Tax payable	389	370
860	2,028		Other short-term liabilities	3,552	5,288
<u>15,965</u>	<u>18,748</u>		Total current liabilities	<u>8,213</u>	<u>9,702</u>
<u>253,178</u>	<u>219,868</u>		Total liabilities	<u>344,584</u>	<u>389,184</u>
<u>253,178</u>	<u>219,868</u>		TOTAL EQUITY AND LIABILITIES	<u>574,513</u>	<u>603,122</u>

Bergen, 29th of March 2022
The Board of Directors, Grieg Shipowning AS

 Camilla Grieg Chair	 Elisabeth Grieg Board Member	 Didrik O. Munch Board Member	 Rude Bakke Board Member	 Nada Ahmed Board Member	 Kai Grøtterud Board Member	 Matthew R. C. Duke CEO
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Grieg Shipowning Cashflow 2021

Parent	USD		Consolidated	
USD	USD	USD	USD	USD
2021	2020	2021	2020	
				Cash flow from operations
-1 739 719	-85 416 707	15 348 690	-93 569 868	Profit before income taxes
-	-	-275 656	-	Taxes paid in the period
-	85 655 993	-	-	Writedown of long term investments
-	-	-	85 357 999	Impairment fixed assets
-	-	38 256 699	43 321 705	Depreciation
-	-	-325 198	-588 423	Gain/loss from sale of market based investments
-	-	-157 150	-55 000	Gain/loss from sale of fixed assets
-2 213	216 128	325 094	305 118	Net Financial Items
-	-	-1 081 279	906 070	Change in inventory
349 299	-773 705	163 261	269 231	Change in receivables group companies
7 015	878	-215 486	-1 137 314	Change in other short term receivables
-932 361	-571 431	19 167	-998 938	Change in trade creditors
-	878	-	-	Effect of exchange fluctuations
-404 996	40 273	-1 767 497	745 146	Change in other provisions
-2 722 975	-847 694	50 290 645	34 555 726	Net cash flow from operations
				Cash flow from investments
-	-	-	-	Purchase of shares
-	-	1 428 970	-	Proceeds from sale of fixed assets
-	-	-3 510 985	-10 631 873	Purchase of fixed assets
341 187	29 000	-	29 000	Repayment investments
-550	-	341 187	-	Proceeds sale shares subsidiaries
57	-	-17 771 475	-150 864	Purchase of marketable instruments
	4 212 569	6 426 614	13 247 889	Sale of marketable instruments
	4 241 569	-13 085 689	2 494 132	Net cash flow from investments
				Cash flow from financing
-42 331 088	8 890 140	-15 219 462	-11 824 420	Proceeds from Group loans
38 812 158	10 143 103	-27 891 241	-19 551 557	Proceeds from long term loans
	19 033 243	-43 110 703	-31 375 977	Net cash flow from financing
-5 901 211	22 427 118	-5 905 747	5 673 881	Net change in cash and cash equivalents
25 431 224	3 004 105	25 448 309	19 774 428	Cash and cash equivalents at the beginning of the period
19 530 013	25 431 224	19 542 562	25 448 309	Cash and cash equivalents at the end of the period
				Cash and cash equivalents at the end of the period consists of:
19 530 013	25 431 224	19 542 562	25 448 309	Bank deposits
-	-	-	-	Bank deposits cash pool agreement within the group
19 530 013	25 431 224	19 542 562	25 448 309	Sum



Grieg Shipowing consolidated
Notes to the financial statements 2021

Note 1 Accounting principles

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

Subsidiaries

Subsidiaries are posted in the company accounts applying the cost method. The investment is stated at historical cost of the shares unless a write-down has been necessary. The investment is written down to fair value when the reduced value is due to causes which are not deemed to be temporary. Write-downs are reversed when the grounds for the write-down no longer exist.

Dividends and other distributions are recognised in the year in which they are provided for in the accounts of the subsidiary. If the dividend exceeds the profit after the acquisition, the surplus amount represents repayment of the capital investment and the distributions are deducted from the amount of the investment in the balance sheet.

Investment in joint ventures and associated companies

Investments in associated companies are stated according to the cost method in the company accounts and according to the equity method in the group accounts. Investments in 50/50% joint ventures are stated according to the gross method.

Operating revenues

Operating revenues are entered as income at the time of delivery. The time of delivery is understood to mean the time of transfer of risk and control related to the delivery.

Classification and valuation of balance sheet items

Current assets and current liabilities relate to items which mature within one year from the date of purchase. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at the lower of historical cost and fair value. Current liabilities are carried at nominal value at the date of issue. Fixed assets are valued at historical cost, but are written down to recoverable amount in the event of impairment which is not deemed to be temporary.

Long-term liabilities are carried at the nominal amount at the establishment date.

Intangible assets

The cost of intangible assets is posted in the balance sheet if it is considered likely that the future economic benefits related to the assets will accrue to the company and a reliable measurement of the historical cost of the asset in question has been established.

Asset impairments

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

The Group's open hatch vessels are sailing in a pool, which are market and operated by G2 Ocean AS.

Having the vessels sailing in a pool means that the operational use of the vessels, including optimization of routes, is combined for the fleet. Earnings of each individual vessel is therefore affected by the earnings of other vessels in the pool. The open hatch fleet is therefore considered to be the respective cash-earnings of other vessels in the pool.

Fixed assets

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

Improvements are capitalised and depreciated in pace with the asset involved. Docking costs are capitalised and depreciated over the period to the next scheduled dry-docking. Depreciation of the docking is classified as an operating expense.

The recoverable amount of an asset is measured whenever there is an indication that an asset may be impaired, written-down and the asset is stated at the lower of the recoverable amount and the cost price less any write-down. The write-down is reversed when the grounds for the write-down no longer exist.

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Grieg Shipping consolidated
Notes to the financial statements 2021

Stocks of inventories

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

Receivables

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

Short-term investments

Short-term investments in shares and mutual funds are regarded as part of the financial trading portfolio and are stated at fair value at year-end. Dividends received and other distributions are entered as income under other financial income.

Foreign currency

Consolidated accounts are reported in USD. Financial statements denominated in other currency than USD are recalculated against USD at the average exchange rates and the balance sheet at the exchange rate at year end. Monetary items denominated in foreign currency are valued at the year-end exchange rate against USD. Exchange rate per 31.12.2021 is NOK/USD: 8.8194. Currency gain or loss from operation and monetary items in foreign currencies are posted at the exchange rate of the relevant date of balance. Transactions in foreign currencies are restated at the foreign transaction rate.

Foreign exchange hedging

Derivatives purchased in order to reduce currency risk are treated as hedging transactions for accounting purposes. Gains and losses on foreign exchange contracts are therefore recognised in the same period as the hedged transactions occur.

Unrealised gain/loss on the hedging contracts is not posted on the balance sheet.

Interest rate hedging

Interest rate hedging contracts are recognised and classified in the same way as the related mortgage loan. The interest received/paid under the contract is therefore recognised in the interest period in question and is included in interest expenses for the period.

Unrealised gain/loss on the hedging contracts is not posted on the balance sheet.

Freight risk hedging

Forward Freight Agreements (FFA) are recognised and classified in the same way as the related operating income. The freight received/paid under the contract is therefore recognised in the same period as the hedged transactions occur.

Unrealised gain/loss on the FFA contracts is not posted on the balance sheet.

Leases

The company differentiates between financial leasing and operational leasing based on an evaluation of the lease contract at the time of inception. A lease contract is classified as a financial lease when the terms of the lease transfer substantially all the risk and reward of ownership to the lessee. All other leases are classified as operational leases. When a lease contract is classified as a financial lease where the company is the lessee, the rights and obligations relating to the leasing contracts are recognised in the balance sheet as assets and liabilities. The interest element in the lease payment is included in the interest costs and the capital amount of the lease payment is recorded as repayment of debt. The lease liability is the remaining part of the principal. For operational leases, the rental amount is recorded as an operating cost.

Taxes

The tax charge in the profit and loss account includes taxes payable for the period and changes in deferred tax. Deferred tax is calculated at 22% (with effect from January 1st 2019) based on the temporary differences that exist between accounting and tax values, and taking account of the tax loss carried forward at the end of the financial year. Tax enhancing and tax reducing temporary differences which are reversed or can be reversed in the same period have been set off. The net deferred tax advantage is posted in the balance sheet where it is expected that this can be utilized. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and losses carried forward, is based on estimates of future of earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Grieg Shipping III AS, Grieg Shipping II AS and Grieg International II AS are shipowning companies which are taxed under the Norwegian tonnage tax system pursuant to chapter 8 of the Taxation Act. The European Surveillance Authority announced in December 2017 that it had approved the Norwegian tonnage tax regime for a new 10 year period from January 1st 2018, with some adjustments.

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Grieg Shipowning consolidated
Notes to the financial statements 2021

Estimates

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

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

Cash flow statement

Cash flow statements are prepared according to the indirect method. Accordingly, the cash flows from investment and financing activities are reported gross, while the accounting result is reconciled against the net cash flow from operations. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments that can immediately and with no major exchange rate risk be converted into a known amount and maturing less than three months from the transaction date.

Group account cash pool agreement

The group account cash pool agreement with Grieg Shipholding AS as a Group Account Holder, divided into two pool agreements. Grieg Shipholding AS is the Group Account Holder for one of the agreements, and Grieg Shipowning AS for the other agreement.

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

Under these agreements, 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 balance in the balance sheet statement for Grieg Shipowning AS, as a Group Account Holder. Participating companies' share of aggregated cash balance is recognised as intercompany balances in each participating company's balance sheet.

Consolidation

The consolidated accounts include the subsidiaries specified below and show the parent company and subsidiaries as a single enterprise. Shares in subsidiaries are eliminated using the purchase method. Shares in subsidiaries are set off in an amount corresponding to the book value of equity attributable to the shares at the date of purchase. Any difference arising on elimination is assigned to specific assets. Excess values that cannot be assigned to specific assets are posted as goodwill and amortised over the expected lifetime of the asset. Intra-group transactions and balances are eliminated. Conversion of subsidiaries with a currency other than USD is for items in the balance sheet recalculated at the exchange rate at year end.

Profit and loss is recalculated at the average exchange rate in 2021. Substantial items, if any are recalculated to the exchange rate on the day the transaction is accomplished. Conversion differences related to exchange rates are posted against the equity.

	REGISTERD OFFICE	OWNERSHIP
Grieg Shipowning is a group which comprises the following companies:		
Grieg Shipping II AS - shipowning company, tonnage taxed	Bergen	100%
Grieg International II AS - shipowning company, tonnage taxed	Oslo	100%
Grieg Shipping III AS - shipowning company, tonnage taxed	Bergen	97%



Grieg Shipping consolidated
Notes to the financial statements 2021

Note 2 Equity

PARENT COMPANY

Figures in USD 1 000

Changes in equity	Share capital	Share premium	Other equity	Minority	Total
Equity at 01.01	11,606	236,738	-35,137		213,207
Profit for the year			-1,319		-1,319
Other changes			30		30
Equity at 31.12	11,606		-36,426		211,917

GROUP

Figures in USD 1 000

Changes in equity	Share capital	Share premium	Other equity	Minority	Total
Equity at 01.01	11,606	236,738	-34,348		213,996
Profit for the year			15,591		15,591
Sale minority			127	215	342
Equity at 31.12	11,606		-34,348	215	229,929

Note 3 Fixed Assets

GROUP

Figures in USD 1 000

	Vessels	New buildings	Docking	Total
Purchase cost at 01.01	1,116,531		45,180	1,161,711
Additions	1,173		3,203	4,376
Disposal	20,006		2,882	22,888
Purchase cost at 31.12.	1,097,698		45,501	1,143,199
Accumulated depreciation at 31.12	519,355		30,626	549,981
Impairment loss	77,550			77,550
Book value at 31.12.	500,793		14,875	515,666

Depreciation	31,143		7,113	
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Depreciation plan	Straight line		Straight line	
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Expected useful life	30 years		5 years	
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At 31.12.21 the Group has no new building contracts.

Based on an impairment testing per year-end 2020, the open hatch fleet was written down with USD 77.6m.

Note 4 Subsidiaries

PARENT COMPANY

Figures in USD 1 000

Subsidiary	Denominated in	Registered office	Ownership/voting rights	Equity 2021 (100%)	Result 2021 (100%)
Grieg Shipping II AS	USD	Bergen	100%	160,280	12,886
Grieg International II AS	USD	Oslo	100%	67,934	3,133
Grieg Shipping III AS	USD	Bergen	97%	7,150	1,073
Book value at 31.12.					

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Grieg Shipowning consolidated
Notes to the financial statements 2021

Note 5 Investments in shares

PARENT COMPANY

Figures in USD 1 000

	Registered office	Ownership	Book value
UACC Ross Tankers DIS	Oslo	2%	123

UACC Ross Tankers DIS is a part-owned company owned by Grieg Shipowning AS.

Note 6 Market-based investments

GROUP

Figures in USD 1 000

	Acquisition cost	Market value	Acquisition cost	Market value
	2021	2021	2020	2020
Mutual funds	3,782	3,866		
Bonds	8,847	9,705	5,441	6,471
Money market funds	11,413	11,482	7,162	7,495
Book value at 31.12	24,042	25,052	12,603	13,967

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

	2020		Total profit/loss
	Realised	Unrealised	
Mutual funds	-67	198	131
Bonds	328	140	468
Money market funds	328	-202	126
Profit/loss from market-based investments	588	136	725



Grieg Shipowning consolidated
Notes to the financial statements 2021

Note 7 Interest-bearing debt

PARENT COMPANY

Figures in USD 1 000

Mortgage loans

At 31.12.21 the company has six loans. The loans are denominated in USD.

Loan covenants

Covenants common to all mortgage loans is that the Group must continue to be controlled by the Grieg family, Grieg Shipowning on a consolidated basis must maintain a minimum of USD M25 / 5% of total interest bearing debt in liquidity. Grieg Shipowning AS is providing guarantees in the amount of USD 19.3m per 31.12.2021 for Grieg International II AS vessels, USD 60.7m for the Grieg Shipping II AS vessels, USD 8.4 for the Grieg Shipping III AS vessel and USD 46.7m for the GriegMaas Ultramax AS vessels. Grieg Shipping II AS and Grieg International II AS is providing guarantees in the amount of USD 198.4 m for Grieg Shipowning AS. The companies have been in compliance with the covenants throughout the year.

	2021	2020
Mortgage loans (1st priority)	237,213	198,401
Total	237,213	198,401
Of which long-term debt with maturity later than 5 years	2021	2020
Debt to credit institutions	0	0
Total	0	0
Balance value of mortgaged assets	2021	2020
Vessels	403,713	335,724
New building contracts (booked as receivables)	0	0
Total	403,713	335,724

GROUP

Figures in USD 1 000

Mortgage loans

At 31.12.21 the Group has eight loans. The loans are denominated in USD.

Loan covenants

Covenants common to all mortgage loans is that the Group must continue to be controlled by the Grieg family, Grieg Shipowning on a consolidated basis must maintain a minimum of USD M25 / 5% of total interest bearing debt in liquidity. Grieg Shipowning AS is providing guarantees in the amount of USD 18.5m per 31.12.2021 for Grieg International II AS vessels, USD 8.0 for the Grieg Shipping III AS vessel and USD 21.4m for the GriegMaas Ultramax AS vessels. Grieg Shipping II AS and Grieg International II AS is providing guarantees in the amount of USD 248.6m for Grieg Shipowning AS. The companies have been in compliance with the covenants throughout the year.

	2021	2020
Mortgage loans (1st priority)	263,703	288,052
Total	263,703	288,052
Of which long-term debt with maturity later than 5 years	2021	2020
Debt to credit institutions	0	0
Total	0	0

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Notes to the financial statements 2021

Balance value of mortgaged assets	2021	2020
Vessels	449,090	481,998
New building contracts (booked as receivables)	0	0
Total	449,090	481,998

Other long term debt	2021	2020
Financial leasing	54,031	57,572
Total other long term debt	54,031	57,572

Note 8 Related parties

PARENT COMPANY Figures in USD 1 000

Other receivables	2021	2020
Grieg Star AS	0	134
Grieg Green AS	867	896
Grieg Shipping II AS	812	795
Grieg International II AS	13	215
Total	1,691	2,040

Long term receivables group companies	2021	2020
Grieg Shipping II AS	190,151	147,220
Grieg International II AS	34,611	39,537
Total	224,762	186,756

Other current liabilities	2021	2020
Grieg Shipholding AS		313
Grieg Shipping II AS	12,165	9,475
Grieg Shipping III AS	1,592	1,353
Grieg International II AS	1,332	5,562
Grieg Star OH Pool AS	15	8
Grieg Investor AS	0	1
Total	15,105	16,710

Long term liabilities	2021	2020
Grieg Shipholding AS		2,720
Total	-	2,720



Grieg Shipping consolidated
Notes to the financial statements 2021

Transactions with related parties

Company	Type of services	2021	2020
Revenue			
Grieg Shipping II AS	Interest income	6,074	6,800
Grieg International II AS	Interest income	1,365	1,615
Grieg Shipping III AS	Interest income	63	219
GriegMaas Ultramax AS	Interest income	567	0
Expenses			
Grieg Shipholding AS	Management fee	23	194
Grieg Maritime Group AS	Management fee	69	0
Grieg Shipping II AS	Interest expense	1,334	599
Grieg International II AS	Interest expense	413	587
Grieg Shipholding AS	Interest expense	58	313
GROUP			
Figures in USD 1 000			
Other short-term receivables		2021	2020
Grieg Star AS			134
Grieg Green AS		867	896
Total		867	1,030
Other short-term liabilities		2021	2020
Grieg Shipholding AS		550	1672
Grieg Maritime Group AS		489	0
Grieg Star AS		782	481
Grieg Star OH Pool AS		1294	1100
Grieg Shipbrokers Val.		2	0
Grieg Investor AS		10	8
Total		3,129	3,261
Long term liabilities		2,021	2,020
Grieg Shipholding AS		18,638	33,857
Total		18,638	33,857

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Grieg Shipping consolidated
Notes to the financial statements 2021

Note 9 Share capital and shareholder information

PARENT COMPANY

The share capital consists of	Number of shares	Nominal value	Book value in USD 1 000
A shares	909,454	0.01	11,606
Total	909,454		11,606

Shareholders at 31.12	Number of shares	Ownership
Grieg Shipholding AS	909,454	100%

Note 10 Taxes

PARENT COMPANY

Figures in USD 1 000

Tax charge and tax payable in the accounts

Temporary differences	2021	2020
Fixed assets		
Early retirement		
Receivables foreign currency	4,163	5,311
Net temporary differences	4,163	5,311
Adjustment prior years		(133)
Tax losses carried forward	(7,830)	(6,932)
Basis for deferred tax/(deferred tax assets)	(3,668)	(1,754)
Deferred tax/deferred tax assets	(807)	(386)
Deferred tax/(deferred tax assets) in the balance sheet	(807)	(386)

Basis for taxation, change in deferred tax and tax payable

Profit before tax	(1,921)	(85,417)
Permanent differences	8	85,874
Basis of tax charge for the year	(1,913)	458
Change in temporary differences	1,148	(5,311)
Change tax losses carried forward	765	3,823
Basis for payable taxes in the income statement	-	-
+/- Group contribution received/given	-	1,030
Tax loss carried forward	-	-
Taxable income (basis for tax payable in the balance sheet)	-	-

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Grieg Shipowning consolidated
Notes to the financial statements 2021

Tax expense consists of

Tax payable (22% of basis for tax payable in the profit and loss account)	-	-
Under provision of tax in previous year	-	-
Tax cost group contribution	-	-
Currency effects	-	-
Change in deferred tax	(421)	81
Change in deferred tax, due to change in tax rate	-	-
Tax charge / (tax income)	(421)	81

Reconciliation of the tax expense

Result before taxes	-1,921	-85,417
Calculated tax 22%	-423	-18,792
Tax expense	2	81
Difference	-421	-18,710

The difference consist of:

22% of permanent differences	2	18,892
Change in deferred tax due to change in tax rate	0	0
Change in deferred tax due to change in tax rate	0	0
Other differences	-423	-182
Sum explained differences	-421	18,710

Tax payable in the balance sheet

Tax payable (22% of basis for taxes payable in the profit and loss account)	-	-
Under/over provision for tax payable	-	-
Tax payable in the balance sheet	-	-

Tax losses carry forward can be increased with NOK 8.790, because of planned changes in group contributions given from Grieg Green AS and Grieg Star AS in 2020. The recipient of group contributions will change from Grieg Shipowning AS to Grieg Shipholding AS, because Grieg Shipowning AS were not eligible recipients at 31.12.20.

GROUP

Figures in USD 1 000

	2021	2020
Tax expense consists of:		
Tax payable on taxable income	20	26
Change in deferred tax	(444)	59
Deferred tax benefit not shown in the balance sheet	-	-
Group contribution, tax effect	-	-
Adjustment with respect of prior years	-	-
Tax expense (income)	(424)	85
Tonnage tax (classified as an operating expense in the income statement):	389	370



Grieg Skipowing consolidated
Notes to the financial statements 2021

Deferred tax:		
Long-term debt	-	-
Fixed assets		
Shares in subsidiaries		
Early retirement		
Pension		
Other temporary differences	4,495	6,409
Financial instruments and other short-term investments	76	233
Profit/loss account	360	466
Tax loss carry forwards	(49,930)	(47,305)
Basis for deferred tax/(deferred tax assets)	(45,000)	(40,198)
Deferred tax/(deferred tax assets)	(9,900)	(8,843)
Deferred tax assets not recognised in the balance sheet	9,111	8,590
Deferred tax/(deferred tax assets) recognised in the balance sheet	(728)	(225)
Tax payable consists of:		
Taxable financial income for companies under Chapter 8 of Taxation Act	90	116
Profit before tax subject to ordinary income tax	(1,921)	(85,417)
Permanent differences	8	85,874
Changes in differences included in the basis for deferred tax/deferred tax assets	1,148	(1,488)
Group contribution	-	1,030
Changes in deficit and remuneration brought forward	765	-
Basis of tax charge for the year	91	116
Current tax payable of net income	20	26
Adjustment with respect of prior years		
Tonnage tax	389	344
Tax prepaid		
Effect of Group contribution	-	-
Tax payable in the accounts	370	370

Note 11 Payroll expenses, auditor's fee etc.

PARENT COMPANY

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 associates.

Auditor's fee	2021	2020
Statutory audit		
Tax advisory fee (incl. technical assistance)	6	3
Tax advisory fee (incl. technical ass. with tax return)	8	3
Other non-audit services		3
Total fee to auditor excl. v.a.t.	14	9

GROUP

Figures in USD 1 000

Auditor's fee

Group auditor	2021	2020
Statutory audit	47	44
Tax advisory fee (incl. technical assistance)	3	8
Tax advisory fee (incl. technical ass. with tax return)	8	7
Total fee to Group auditor excl. v.a.t.	58	59

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Grieg Shipowning consolidated
Notes to the financial statements 2021

Note 12 Financial market risk

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

Interest rate risk

The Group's long term debt and some of its lease agreements are at floating interest rate terms, exposing the company to interest rate risk in both short and long term. The Group's strategy is to hedge parts of its interest rate exposure by utilizing interest rate swap agreements. Gains and losses arising from interest rate swaps are recognised in the same period as the related interest expense.

At 31.12.21 the Group held interest swap agreements of USD 206m. Total unrealised MTM value, not recognised in the balance sheet, was USD -4m.

Foreign exchange risk

The company hedges expenditures in currencies other than USD forward contracts. At 31.12.21 the company had entered into hedging agreements through the use of currency swaps for USD 3.8m. Total unrealised MTM value, not recognised in the balance sheet at 31.12.21, was USD -0.017m.

Freight risk

Forward Freight Agreements (FFA) are from time to time used as a risk management instrument in order to smooth out freight volatility. The FFA contracts are settled as an adjustment of operating income. At 31.12.21, the company had not entered into any Forward Freight Agreements (FFA).

Note 13 Operating lease agreements

GROUP

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

	Number of vessels	Duration oppdat	Operating lease expense recognised in the year
No material events that affect the financial position have taken place after the balance sheet date. However, the invasion of Ukraine and subsequent sanctions towards Russia is likely to affect the operations. While there could be some positive effects on earnings, the costs of operating due to price increases as well as coping with cyber risk and sanctions risks are expected to increase. As a Norwegian shipping business, and being member of the Norwegian Shipowners' Association, Grieg Shipowning has access to a strong and qualified network coordinating and advising on several of these issues.			USD 13.7 m
Long-term time charter vessels	1	2 years	USD 4.0 m

Note 14 Events after the balance sheet day

No material events that affect the financial position have taken place after the balance sheet date. However, the invasion of Ukraine and subsequent sanctions towards Russia is likely to affect the operations. While there could be some positive effects on earnings, the costs of operating due to price increases as well as coping with cyber risk and sanctions risks are expected to increase. As a Norwegian shipping business, and being member of the Norwegian Shipowners' Association, Grieg Shipowning has access to a strong and qualified network coordinating and advising on several of these issues.



To the General Meeting of Grieg Shipowning AS

Independent Auditor's Report

Opinion

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

- The financial statements of the parent company Grieg Shipowning AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cashflow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Grieg Shipowning AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement and cashflow 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 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other Information

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



Independent Auditor's Report - Grieg Shipowning AS



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

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Bergen, 29 March 2022
PricewaterhouseCoopers AS

(2)



Independent Auditor's Report - Grieg Shipowning AS



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

(3)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Haugervåg, Jon	BANKID_MOBILE	2022-04-07 10:03

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Skattedirektoratet

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

GRIEG SHIPPING GROUP AS
Postboks 781
5807 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

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

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

Bakgrunn

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

Skattedirektoratets vurdering

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

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse Se www.skatteetaten.no Org. nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
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



Vår dato 11.03.2021	Din/Deres dato 24.02.2021	Saksbehandler Joakim Engebretsen
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 92251412
Org.nr 974761076	Vår referanse 2021/5260823	Postadresse Postboks 9200 Grønland 0134 OSLO

GRIEG MARITIME GROUP AS
C. Sundts gate 17
5004 BERGEN

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til deres søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk på vegne av selskapene Grieg Maritime Group AS (org.nr. 826 009 292), Grieg Star Bulk Pool AS (org.nr. 925 757 179) og Grieg Edge AS (org.nr. 924 555 424).

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller 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

Fra søknaden siteres:

"Vedlagt følger kopi av tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for vårt konsern Grieg Star Group AS (endret navn til Grieg Shipholding AS), datert 15.08.2012.

Et nytt selskap er nå registrert, Grieg Maritime Group As, org nr 826 009 292, som blir det nye morselskapet i vårt konsern.

Videre er det i 2020 opprettet selskapet Grieg Star Bulk Pool AS, org. nr 925 757 179, og selskapet Grieg Edge AS, org nr 924 555 424 som datterselskaper i konsernet.

Vi søker herved om å få utarbeide årsregnskap og årsberetning på engelsk for selskapene Grieg Maritime Group AS, Grieg Star Bulk Pool AS og Grieg Edge AS, og som da tilsvarende for resten av vårt konsern."

Skattekontorets 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."*



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, kunder og lokalsamfunnet.

Det er etter skattekontorets 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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det det tale om en utvidelse av tidligere gitt dispensasjon for en del av selskapene i konsernet. Denne dispensasjonen er begrunnet i at eierkretsen er begrenset, og at selskapene driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis for de tre selskapene nevnt innledningsvis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Roar Thorbjørnsen
underdirektør
Innsats, storbedrift
Skatteetaten

Joakim Engebretsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Side 2 / 2