



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Kari T. Tepstad
Dato for fastsettelse av årsregnskapet: 23.03.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 04.05.2023



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	2	8 346 303	4 219 716
Sum inntekter		8 346 303	4 219 716
Kostnader			
Driftskostnad skip		1 965 691	1 968 348
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	687 520	687 520
Annen driftskostnad	3	200 911	129 928
Sum kostnader		2 854 122	2 785 796
Driftsresultat		5 492 181	1 433 920
Finansinntekter og finanskostnader			
Annen renteinntekt		71 894	3
Sum finansinntekter		71 894	3
Rentekostnad til foretak i samme konsern	2	57 000	63 000
Annen rentekostnad		386 404	295 290
Annen finanskostnad		4 405	2 879
Sum finanskostnader		447 809	361 169
Netto finans		-375 915	-361 166
Ordinært resultat før skattekostnad		5 116 266	1 072 754
Ordinært resultat etter skattekostnad		5 116 266	1 072 754
Årsresultat		5 116 266	1 072 754
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		5 116 266	1 072 754
Sum overføringer og disponeringer		5 116 266	1 072 754



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	4	12 552 839	13 240 359
prosjekter		114 543	
Sum varige driftsmidler		12 667 382	13 240 359
Sum anleggsmidler		12 667 382	13 240 359
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		311 484	520 144
Konsernfordringer	2	6 669 937	1 659 055
Sum fordringer		6 981 421	2 179 199
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		2 044	977
Sum bankinnskudd, kontanter og lignende		2 044	977
Sum omløpsmidler		6 983 465	2 180 176
SUM EIENDELER		19 650 847	15 420 535
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
10 000 aksjer a NOK 608	8,9	745 463	745 463
Overkurs	8	4 808 269	4 808 269
Sum innskutt egenkapital		5 553 732	5 553 732



Balanse

Beløp i: USD	Note	2022	2021
Opptjent egenkapital			
Annen egenkapital	8	6 713 016	1 596 749
Sum opptjent egenkapital		6 713 016	1 596 749
Sum egenkapital		12 266 748	7 150 481
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	7 200 000	8 000 000
Sum annen langsiktig gjeld		7 200 000	8 000 000
Sum langsiktig gjeld		7 200 000	8 000 000
Kortsiktig gjeld			
Leverandørgjeld		7 504	
Betalbar skatt	5	9 084	11 567
Kortsiktig konserngjeld	2	152 135	251 459
Annen kortsiktig gjeld		15 376	7 028
Sum kortsiktig gjeld		184 099	270 054
Sum gjeld		7 384 099	8 270 054
SUM EGENKAPITAL OG GJELD		19 650 847	15 420 535



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.



To the General Meeting of Grieg Shipping III AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Grieg Shipping III AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

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

Basis for Opinion

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

Other Information

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

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

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

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

Responsibilities of Management for the Financial Statements

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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, 23 March 2023
PricewaterhouseCoopers AS

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



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Haugervåg, Jon	BANKID	2023-03-23 15:06

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BOARD OF DIRECTORS' REPORT 2022

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 2022, Grieg Shipping III AS owned one Semi Open Hatch vessel.

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 2022 purchased a range of services from Grieg Maritime Group (the shareholder of Grieg Shipholding) within strategy, administration, IT, accounting, finance, legal and business development. The Company's vessel is managed by 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 2017. The G2 Ocean Open Hatch consists of more than 125 vessels operating in a worldwide trading pattern 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

Grieg Shipping III AS is pleased to deliver an extraordinarily strong result for 2022 which to a large extent can be credited to a strong Open Hatch shipping market.

The Company's operating revenues consist of freight income, and this is accounted for as time charter hire. Total revenues increased to USD 8.3m in 2022 (USD 4.2m). Most of the explanatory factors for the strong earnings can be found in general supply and demand imbalances, related to such as pent-up demand after covid-19 and logistic inefficiencies, amplified by the effects of China's zero-tolerance covid policy and the war in Ukraine.

Total operating costs were unchanged at USD 2.8m (USD 2.8m) of which the vessels' operating expenses being the main cost item also was unchanged at USD 2.0m (USD 2.0m). Depreciation charges were unchanged, staying at USD 0.7m. With higher revenues the Company's operating profit increased to USD 5.5m in 2022 (USD 1.4mm).

Net financial items were minus USD 0.4m in 2022 (USD – 0.4m) of which interest rate costs increased to USD 0.4m (USD 0.3m) as debt repayments did not offset the effect of a higher Libor rate. Altogether, the Company ended up with a pre-tax result of USD 5.1m in 2022 (USD 1.1m).

Long-term interest-bearing debt decreased to USD 7.2m (USD 8.0m), and has been fully repaid at the start of 2023. The Company's book equity was USD 12.3m at end 2022 (USD 7.2m), implying an equity ratio of 62% (46%). By the end of 2022, the Company had total assets of USD 19.7m (USD 15.4m), with current assets accounting for USD 7.0m (USD 2.2m). Liquidity on the balance sheet date



in the form of bank deposits and cash at hand was USD 5.6m 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 6.0m (USD 1.7m), minus USD 0.1 (0) cash flow from investments and net cash flow of minus USD 0.3m (USD - 0.1m) from financing activities, net change in liquid funds in 2022 was USD 5.6m (USD 1.6m).

External Environment

While seaborne transportation constitutes about 90% of world trade, emissions of Greenhouse Gases (GHG) from ships represent almost 3% of global emissions, something our industry is committed to reduce. In addition to the requirements of the International Maritime Organization (IMO), Grieg Maritime Group, which the Company is part of, have adopted the Norwegian Shipowner Association's target to reduce GHG emissions per transported unit by minimum 50% by 2030 from 2008 levels and become net zero by 2050. These targets can however not be achieved without a value chain supporting low and zero emission fuels with competitive terms, well ahead of 2030.

Over the course of 2022 we have consistently worked towards understanding the risks, opportunities, and barriers for adopting zero emission fuels. Evaluating emission reducing initiatives and measures to upgrade the Company's vessel has high priority. A digital support tool has been developed enabling charterers and operators to project Carbon Intensity Indicator (CII) implications of future operations and support fleet CII control. The IMO CII framework has received significant criticism for amongst other not incentivizing maximum transport work per emission unit, and not having concrete sanctions in place for non-compliance. We share many of the concerns raised and support efforts to adjust the framework such that incentives and sanctions are better aligned on reducing the carbon footprint of the transport work performed by the maritime industry.

Sustainability

For several years, Grieg Maritime Group has worked with the UN Sustainable Development Goals (SDGs). The Group's objectives and strategy is specifically linked to a few selected SDGs. These have accompanying KPIs at business unit level and is the foundation for our daily operations, development initiatives and investments. To report on progress we follow the ESG reporting recommendations from the Norwegian Ship Owners Association, and report with reference to the Integrated Reporting Framework and the Global Reporting Initiative (GRI).

In 2022, there has been strong focus on ensuring that we are reporting our emissions in line with the GHG Protocol. Thus, it has been a priority to establish the organizational boundaries in terms of reporting as well as mapping the indirect emissions from our value chain (scope 3 emissions).

Enterprise Risk and Compliance

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. Most of these risks are strongly correlated to macro-economic development. Vessel 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

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



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.

For operational risk, Covid-19 has been among our key risks also during 2021 as this has hampered both crew changes and vessel operations. 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.

Areas that have been subject to particular focus in 2022 are amongst others human rights - as part of implementing the Norwegian Transparency Act, sanction risks and third-party screening, and not least cyber security training and response, where Russia's war in Ukraine imposed several implications and increased company risks. 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.

The strong 2022 financial result and reduced debt level is on the other hand supportive of a reduced financial risk level for Grieg Shipping III AS.

The Market and Outlook

The positive market sentiment from 2021 continued into the first part of 2022 as covid-19 reliefs fueled a sense of economic recovery, coupled with high levels of market inefficiencies. However, as the year progressed, geopolitical and macroeconomic events created uncertainties. The war in Ukraine, fears of uncontrolled inflation with higher interest rates, unwinding market inefficiencies with lower congestion and China's zero-covid strategy were all part of the factors creating a downward pressure on the market as 2022 progressed. Total dry bulk demand in 2022 is estimated to have contracted by 2.5%, with ton-mile demand contracting by 2%. Shipments of wood pulp, the single most important commodity for our Open Hatch activities rose 8% in 2022, with EU and Chinese imports really picking up in the final months of the year.

For 2023, global GDP growth is forecasted at 2.7% by the International Monetary Fund, with emerging markets and developing economies forecast to grow by 3.7%. China, specifically, which is a very important market for dry bulk including wood pulp, is forecasted to grow by 4.4%. Thus, much of the optimism for a bounce in the global economy and dry bulk market relies on China forcefully coming back after moving away from its zero-covid policy. Sub-capesize seaborne demand growth is estimated at 1.9% and ton-mile growth at 2.1%. For the Company's core trades in the G2 Ocean pool; forest product seaborne trade is expected to increase by around 5% year-on-year, and demand for wood chips and wood pulp, specifically, is expected to continue to grow at a steady pace. Also, with a historically low dry bulk orderbook, the scene is set for an improvement in the overall supply-demand balance going forward. Still, there is downside risk as slower economic growth and higher interest rates create continued economic uncertainty. And a weakened container market may have unforeseen implications on our business. While we should gain from operating in an industrialized segment, with G2 Ocean controlling a significant share of forward cargo contracts at favorable market levels, we do not foresee a repeat of 2022 but expect more normalized earnings as we move forward.



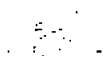
Going Concern

The Board of Directors confirms that the annual accounts have been prepared based on the going concern assumption and that this assumption is valid. The consideration is based on the Company's financial position and expectations of future earnings.

The Board of Directors believes that the submitted annual accounts give a correct picture of Grieg Shipping III AS' assets and liabilities as well as financial position and results. During the first quarter of 2023 it has been resolved that the company shall be merged into another Grieg Maritime Group subsidiary; Grieg International II AS. The final decision and subsequent implementation is pending the expiry of the creditor notification at the Norwegian Company Registry.

Oslo, 23 March 2023

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			
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REVENUES	Note	2022	2021
Operating revenues	2	8 346 303	4 219 716
Total revenues		8 346 303	4 219 716
Operating expenses			
Vessel operating expenses		1 965 691	1 968 348
Other operating expenses	3	200 911	129 928
Depreciation	4	687 520	687 520
Total operating expenses		2 854 122	2 785 796
Operating profit		5 492 181	1 433 920
Financial items			
Interest income		71 894	3
Interest expenses		-386 404	-295 290
Interest expenses group	2	-57 000	-63 000
Gain/loss on foreign exchange		-4 405	-2 879
Total financial items		-375 915	-361 165
Profit before tax		5 116 266	1 072 754
Tax		0	0
Profit for the year		5 116 266	1 072 754
Transferred to (from) other equity		5 116 266	1 072 754
Total allocation		-5 116 266	-1 072 754



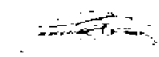
BALANCE SHEET AS OF 31.12

Grieg Shipping III AS				
ASSETS	Note	2022	2021	
Tangible assets				
Vessels	4	12 552 839	13 240 359	
Project in progress		114 543	0	
Total fixed tangible assets		12 667 382	13 240 359	
SUM ANLEGGSMIDLER		12 667 382	13 240 359	
CURRENT ASSETS				
Receivables from group companies	2	6 669 937	1 659 055	
Other receivables		311 484	520 144	
Bank deposits, cash in hand, etc		2 043	977	
Total current assets		6 983 464	2 180 176	
TOTAL ASSETS		19 650 847	15 420 535	

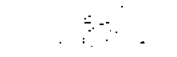
**BALANCE SHEET AS OF 31.12**

Grieg Shipping III AS			
EQUITY AND LIABILITIES	Note	2022	2021
Paid-in capital			
Share capital (10.000 shares of NOK 608)	8, 9	745 463	745 463
Share premium reserve	8	4 808 269	4 808 269
Total paid-in capital		<u>5 553 732</u>	<u>5 553 732</u>
Retained earnings			
Other equity	8	6 713 015	1 596 749
Other equity		<u>6 713 015</u>	<u>1 596 749</u>
Total equity	8	<u>12 266 748</u>	<u>7 150 481</u>
Long-term debt			
Liabilities to financial institutions	10	7 200 000	8 000 000
Total long-term liabilities		<u>7 200 000</u>	<u>8 000 000</u>
Current liabilities			
Liabilities to group companies	2	152 135	251 459
Accounts payable		7 504	0
Taxes payable	5	9 084	11 567
Other short-term liabilities		15 377	7 028
Total current liabilities		<u>184 099</u>	<u>270 054</u>
TOTAL EQUITY AND LIABILITIES		<u>19 650 847</u>	<u>15 420 535</u>

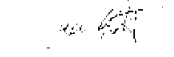
Bergen, 23.03.2023
Styret i Grieg Shipping III AS



Camilla Grieg
Chair



Elisabeth Grieg
Deputy Chair



Kai Grøtterud
Board member



Matthew R. C. Duke
CEO



Cash flow statement Grieg Shipping III AS

	2022	2021
Cash flow from operations		
Profit before income taxes	5 116 266	1 072 754
Change in tonnage tax provision, classified as operating expenses	-2 483	677
Taxes paid in period	-	-
Depreciation	687 520	687 520
Change in inventory	-	-
Change in trade debtors	7 504	492
Change in other provisions	217 008	-48 203
Net cash flow from operations	6 025 815	1 713 240
Cash flow from investments		
Purchase of fixed assets	-114 543	-
Net cash flow from investments	-114 543	-
Cash flow from financing		
Proceeds from long term loan		
Repayment of long term loans	-800 000	-800 000
Capital increase	-	-
Proceeds intercompany	479 280	677 155
Net cash flow from financing	-320 720	-122 845
Net change in cash and cash equivalents	5 590 551	1 590 395
Cash and cash equivalents at start of period	977	2 851
Cash and cash equivalents at the end of the period	5 591 529	1 593 246
Cash and cash equivalents at the end of the period consists of:		
Bank deposits	2 043	977
Bank deposits within Grieg Star Group cash pool agreement	5 589 486	1 592 269
Sum	5 591 529	1 593 246



Grieg Shipping III AS
Notes to the financial statement for 2022

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 2022

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 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 company based on a distribution key.

Company	Relation	Type of services	2022	2021
Operating revenue from associated companies				
G2 Ocean AS	Associated company	Time charter	8,346	4,220

Grieg Shipping III AS is administratively and financially managed by Grieg Maritime Group 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	0	5
Grieg Maritime Group AS	Group company	Management	77	30
Grieg Star AS	Group company	Management	109	82
Total			187	117



Grieg Shipping III AS
Notes to the financial statement for 2022

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	-57	-63
Total			-57	-63

Balances with group companies and related parties

Other short-term receivables		2022	2021
Grieg International II AS	Group company	1,080	0
Grieg Shipowning AS *)	Group company	5,589	1,592
Grieg Shipping II AS	Group company		67
Sum		6,670	1,659

*) The short-term receivables to Grieg Shipowning AS in 2022, is in total related to the Shipowning cash pool

Other current liabilities		2022	2021
Grieg Star AS	Group company	51	25
Grieg Maritime Group AS	Group company	48	16
Grieg Star OH Pool AS	Group company	53	210
Sum		152	251

Note 3 Payroll expenses, auditor's fee etc.

Figures in USD 1 000

Payroll expenses, number of employees, remuneration etc.

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

Auditor's fee	2022	2021
Statutory audit (incl. technical assistance with financial statements)	7	7
Tax advisory fee (incl. technical assistance with tax return)	1	1
Other non-audit services		
Total fees to auditor, excl VAT	8	8



Grieg Shipping III AS
Notes to the financial statement for 2022

Note 4 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	2,922	0	2,922
Book value at 31.12	12,553	0	12,553
Depreciation	688		
Depreciation plan	Straight line	Straight line	
Expected useful life	30 years	5 years	

At 31.12.22 the company has no new building contracts.

Note 5 Taxes		
Figures in USD 1 000		
The company is taxed according to the Tonnage tax rules in the Norwegian Fiscal act § 8 - 10.		
	2022	2021
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)	9	12
Deferred tax:		
Revaluation account	-368	-81
Financial losses brought forward	-172	-164
Basis for deferred tax/deferred tax asset	-540	-246
Deferred tax/deferred tax asset (22%)	-119	-54
Deferred tax benefit not shown in the balance sheet	119	54
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		
Tax payable in the balance sheet:		
Taxable financial income	0	0
Tonnage tax	9	12
Tax payable in the balance sheet	9	12



Grieg Shipping III AS
Notes to the financial statement for 2022

Note 6 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 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 31.12.22 the company had not entered into interest rate swaps agreements.

Foreign exchange risk

The company hedge, from time to time, expenditures in currencies other than USD through forward contracts. At 31.12.22 the company had not entered into hedging through the use of currency swaps.

Note 7 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 8 Equity

Figures in USD 1 000

Changes in equity	Share capital	Share premium	Other equity	Total
Equity at 01.01.	745	4,808	1,597	7,151
Profit for the year			5,116	5,116
Equity at 31.12	745	4,808	6,713	12,267

Note 9 Share capital and shareholders information

The parent company, Grieg Maritime Group AS, has its registered office in Bergen (C. Sundtsgate 17), where the 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 Shipowning AS	10,000	100%
Total shares	10,000	100%



Grieg Shipping III AS
Notes to the financial statement for 2022

Note 10 Interest bearing debt and credit facilities

Mortgage loans

At 31.12.22 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 MUSD 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

	2022	2021
	0	0
Liabilities to credit institutions	2022	2021
Liabilities secured by mortgage (1st priority)	7,200	8,000
<i>Book value of assets pledged as security:</i>		
Vessels	12,667	13,240
New building contracts		0
Total	12,667	13,240