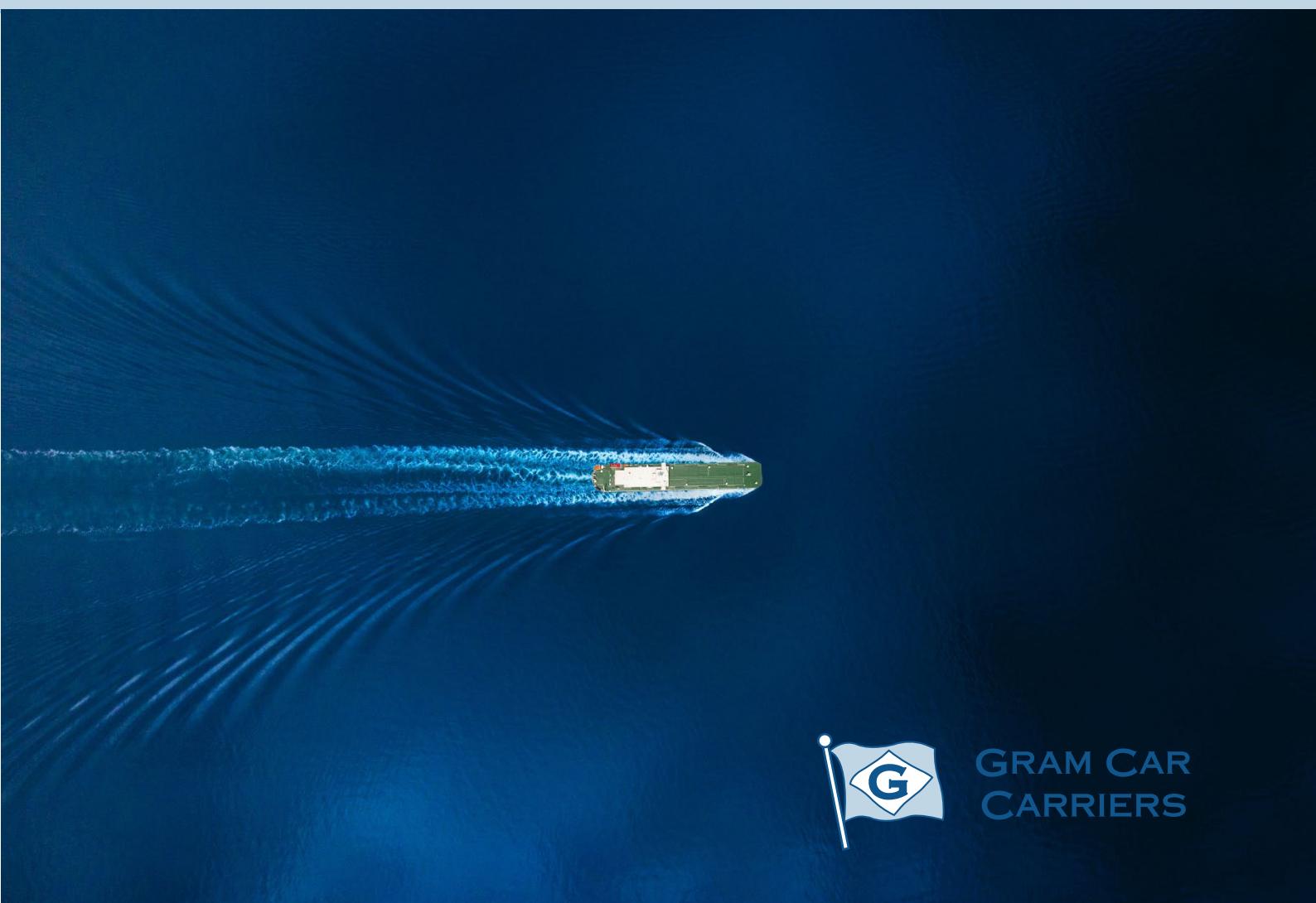


# Gram Car Carriers ASA

**Interim report  
Q2 2022**



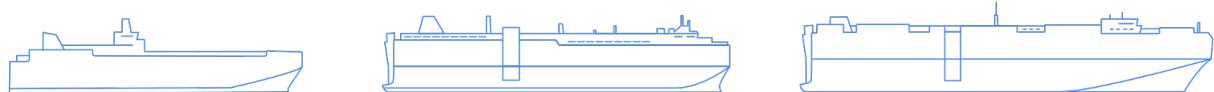
**GRAM CAR  
CARRIERS**

## Gram Car Carriers in brief

GCC is the world's third-largest tonnage provider within the Pure Car Truck Carriers (PCTCs) segment with 18 vessels, across the Distribution, Mid-size and Panamax segments. The Company serves as a trusted provider of high-quality vessels and logistics solutions ensuring safe, efficient and punctual shipment of vehicles for a network of clients comprising of major global and regional PCTC operators.

### Investment highlights

- Unique investment opportunity in leading PCTC tonnage provider
- Attractive market opportunity with upcycle unfolding
- GCC ideally positioned to capture a historically strong market
- Stated policy of returning minimum 50% of EPS to shareholders through quarterly dividends



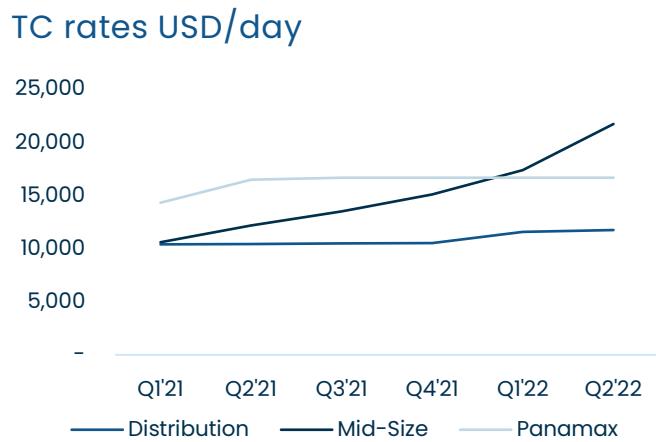
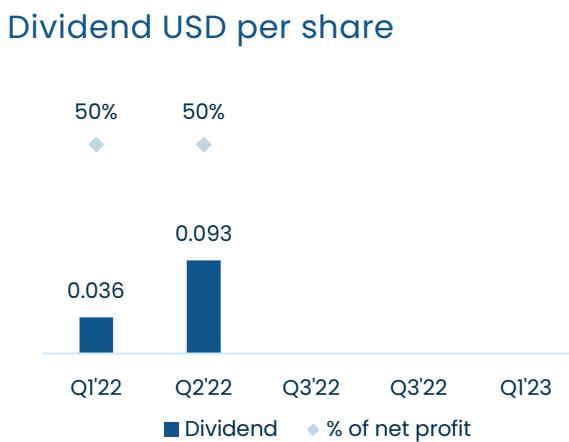


## Key events

- Board of Directors proposes dividend of USD 0.093 per share for Q2 2022, up 2.6x from Q1 2022
- Q2 2022 revenue of USD 27.7 million and EBIT of USD 9.3 million
- H1 2022 revenue of USD 51.3 million and EBIT of USD 15.2 million
- Q2 2022 average TCE revenue: Panamax USD 16,690, Mid-size USD 21,700 and Distribution fleet USD 11,760
- No open capacity for 2022 after new contracts for Viking Drive, Viking Passama, Viking Odessa, Viking Constanza and City of Oslo at higher dayrates and with longer durations
- Total revenue backlog of USD 269 million, up 53% from end of Q1 2022
- Positioned to capture a historically strong market with 41%/69% open days in 2023/24
- Favourable market outlook with high charter rates and long contract durations

### Georg A. Whist, CEO of Gram Car Carriers ASA:

"We deliver safe and efficient high-quality logistics services to our customers while optimising our contract portfolio in a historically strong car carrier market with favourable demand fundamentals and a predictable supply side. We continue to sign new charter agreements with higher dayrates and longer durations and have no more open capacity for the remainder of 2022. This is reflected in a growing contract backlog which supports future earnings growth and dividends. We are therefore pleased to propose a dividend equal to 50% of our net profit for the second quarter of 2022, in accordance with our stated policy."



## Average daily time charter equivalent (TCE) rates

	<b>Distribution</b> 	<b>Mid-size</b> 	<b>Panamax</b> 	<b>Fleet total</b>
Average TC rate Q2'22 <sup>1)</sup>	<b>USD 11,760</b> (Q1'22: USD 11,590)	<b>USD 21,700</b> (Q1'22: USD 17,410)	<b>USD 16,690</b> (Q1'22: USD 16,690)	<b>USD 17,770</b> (Q1'22: USD 15,640)
Utilisation Q2'22	<b>99%</b> (Q1'22: 99%)	<b>93%</b> (Q1'22: 100%)	<b>94%</b> (Q1'22: 92%)	<b>95%</b> (Q1'22: 98%)
Planned/unplanned off-hire days Q2'22	<b>-/4 days</b> (Q1'22: -/5 days)	<b>49/1 days</b> (Q1'22: -/3 days)	<b>22/- days</b> (Q1'22: 29/- days)	<b>71/5 days</b> (Q1'22: 29/8 days)

## Review of operations

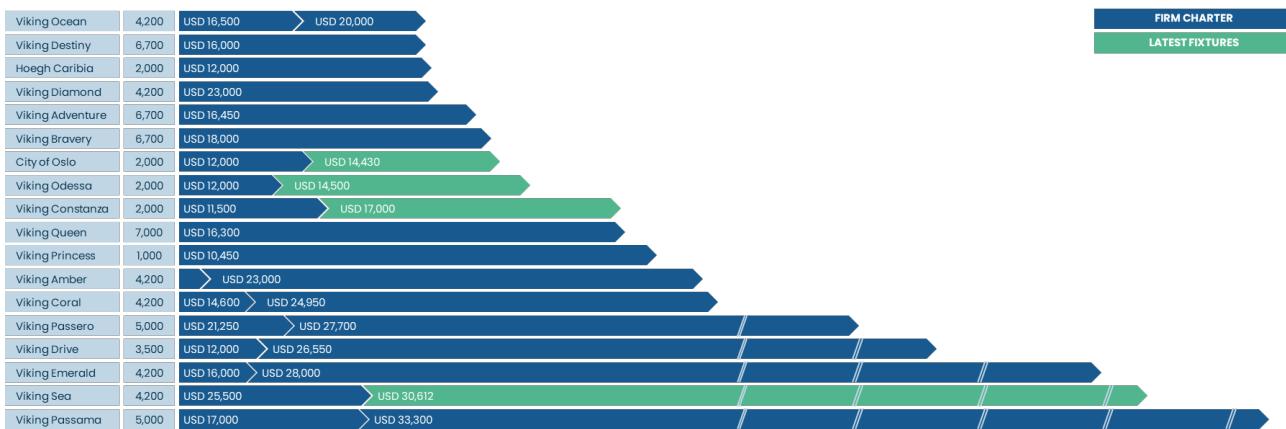
The Gram Car Carriers ('GCC') fleet was fully operational during the second quarter of 2022, except for Viking Passama, Viking Passero and Viking Destiny which went through their planned special surveys in May and June. Due to extensive Covid-19 restrictions in China, the off-hire period in connection with the dockings have exceeded the normal duration by approximately one week for each of the dockings.

The average fleet TCE was USD 17,770 in the second quarter, an increase from USD 15,640 in the first quarter of 2022. The higher TCE was mainly a function of higher dayrates for the Mid-size fleet of USD 21,700 (USD 17,410) and the Distribution fleet at USD 11,760 (USD 11,590). The daily TCE for the Panamax fleet was stable at USD 16,690.

GCC suspended all calls at Ukrainian and Russian ports following the Russian invasion of Ukraine on February 24. This has been acknowledged and accepted by all charterers. No cargo for Russian discharge ports were onboard at the time of the attack. Two thirds of GCC's seafarers are Ukrainian. Several initiatives have been implemented to ensure safety and flexibility for the seafarers and their families. GCC is dedicated to support the crew and officers onboard through these challenging times.

### Contact overview

GCC's revenue backlog amounted to USD 269 million at 30 June 2022, an increase from USD 176 million at the end of March.



In April, GCC signed an extension to the current contract with Seven Seals for the Viking Drive (3,500 CEU), until February 2026. The agreed contract has a day rate of USD 30,000 for year 1, USD 28,000 for year 2, USD 25,000 for year 3, and USD 22,000 for the last 8 months, providing a total contract value of USD 35.5 million.

In May, GCC signed a six-year time charter for the Viking Passama (5,000 CEU) with Armacup Ltd. until the fourth quarter of 2028. The agreed contract has a day rate of USD 33,300, providing a total contract value of USD 72.9 million.

During the second quarter, GCC extended the contracts for the Viking Odessa (2,000 CEU) and the City of Oslo (2,000 CEU) with the existing charterers for both vessels until the second quarter of 2023. The total value of the contract extensions for the two distribution vessels is USD 9.1 million.

In early July, GCC signed a five-year contract with Zim Integrated Shipping Services Ltd. for the mid-size vessel Viking Sea (4,200 CEU), until the fourth quarter of 2027. The dayrate is USD 30,612 over the charter period, providing a total contract value of approximately USD 55.8 million. The new contract is in direct continuation with the Viking Sea's current contract with the same charter.

Also in July, GCC signed a 14-month contract with a leading Asian operator for the distribution vessel Viking Constanza (2,000 CEU) from August 2022 with a dayrate of USD 17,000 over the charter period, providing a total contract value of approximately USD 7.2 million.

### Cash-flow break even

The company estimates a cash flow breakeven rate of USD 15,000 per day per vessel going forward. The increase from the USD 14,600 per day communicated in the first quarter report on 28 April 2022, reflects increased interest rates. The average daily cash breakeven rates are the daily TCE rates the GCC fleet must earn to cover operating expenses including principal payment and interest on loans, lease payments and general and administrative expenses.

### Covid-19

The Covid-19 pandemic has had limited impact on GCC's operations to date in 2022, except for some delays related to quarantine formalities prior to entry into Chinese dockyards. The health and safety of its personnel is the company's main priority. Per 30 June 2022, 84.9% of maritime personnel has received their second dose of vaccine. All new on-signers are required to be vaccinated. GCC is closely monitoring the Covid-19 situation and the pandemic's potential to affect marine operations and business activities.

### Corporate and financing

Gram Car Carriers ASA was admitted to trading on Euronext Growth Oslo on 31 January 2022 following a private placement of new shares raising the equivalent of USD 121 million in gross proceeds. The listing followed the completion of asset transactions with the former Singapore corporate structure and F. Laeisz on 25 January. At the same time, GCC refinanced most of its corporate debt and lease facilities. The private placement was supported by five cornerstone investors including international industry names, with significant oversubscription for remaining shares on offer. Following the placement, GCC has over 50% free float and approximately 600 shareholders including international investors with deep industry knowledge.

In April, GCC was commercial adviser during the formation of Global Auto Carriers AS (GAC), a company created for the purpose of ordering four 7,000 CEU dual fuel Pure Car Truck Carriers from China Merchants Jinling Shipyard (Weihai) Co., Ltd, with options for an additional 2+2 vessels at the same yard. GAC is owned by established international industrial and financial investors with deep shipping knowledge which also are current shareholders of GCC.

GCC will receive warrants enabling an ownership stake in GAC of up to 7.5%, and a 1% commission of the gross contract price for the vessels which will be used to exercise warrants. GCC will also serve as the commercial manager for the GAC fleet and will receive a lump sum management fee and a 1.0% commission on the time charter earnings of each of the vessels. Technical management and yard supervision will be provided by F. Laeisz GmbH. The shipbuilding contracts for the firm vessels were signed on 16 May 2022, with delivery from the fourth quarter of 2025 through the fourth quarter of 2026. Three of the option vessels have delivery in 2027 and one in 2028.

By supporting GAC's foundation, GCC has created additional revenue streams and the potential for a meaningful future equity stake without adding any capital expenditure in line with the strategy of being a vessel owner with long-term contracts and clear policy of returning capital to shareholders through quarterly dividends.

## Market update

### **Macro and auto trends**

The development in global car sales have historically correlated with increased economic activity and global GDP growth. The IMF's most recent economic forecasts for 2022 and 2023 show GDP growth of around 3%, representing an expected slowdown from approximately 6% growth in 2021 as activity rebounded with the easing of the Covid-19 impact. The slower growth is expected to impact the pace of recovery of global car sales. LMC Automotive reduced its 2023-forecast for global light vehicles sales from 90.6 million units at the start of the year to 86.0 million at the end of June. Still, this still indicates a 5.8% increase in car sales in 2023 from 2022. LMC forecast that car sales will exceed pre-Covid levels from 2024.

Asian exports are a key driver for the car carrier market. Chinese auto exports in June 2022 were at a record 249,000 units (compared to Korean exports of 172,000 and Japanese exports of 308,000 units), an increase of 57.4% compared to the same period in 2021 despite Covid-19 related lockdowns, according to data from Chinese Association of Automobile Manufacturers (CAAM). This illustrates the continued strong momentum for Chinese vehicle exports and in part explains the continued firm demand for car carriers. Supply disruptions continue to impact auto sales in major markets, but to a lesser extent during the second quarter than at the start of the year.

The electrification of the global car fleet continues at a high pace. Some 50% of the global sales of electric vehicles in 2021, were in China. Substantial local investments to increase production capacity of electric

vehicles in China is expected to be used to support the worldwide export ambitions of the Chinese EV manufacturers.

The Russian invasion of Ukraine has impacted car sales in both countries with an immediate effect on short-sea traffic in Europe. However, the reduced activity in Black Sea and Baltic car trades have gradually been compensated by increasing feeder requirements for cargo originating outside Europe, and the easing of supply disruptions.

The Covid-19 impact on vehicle production is gradually easing. Still, follow-on effects such as lack of labour in ports, as well as testing and quarantine requirements continue to negatively impact fleet efficiency.

### Fleet development

In recent years, the car carrier fleet has had negative growth due to the natural phase-out of tonnage nearing the end of commercial life, positively improving the supply-demand balance. At the same time, the shipyard industry has experienced a significant increase in its orderbooks, especially for container and LNG vessels, leading to yards being fully booked until 2025 and effectively capping the supply of new vessels. Combined with an ageing PCTC fleet, with 21% being older than 20 years, the supply balance remains favourable with high visibility for the next few years.

The global car carrier fleet amounted to 746 vessels at 30 June 2022 (Fearnleys). The global order book is at about 70 vessels at 30 June, equal to 9.4% of the current fleet. This is up from 5.8% at year-end 2021 but remains significantly below the historical average of 17%. The delivery schedule of the current PCTC order book is considered insufficient to meet the estimated fleet replacement requirements through at least 2025.

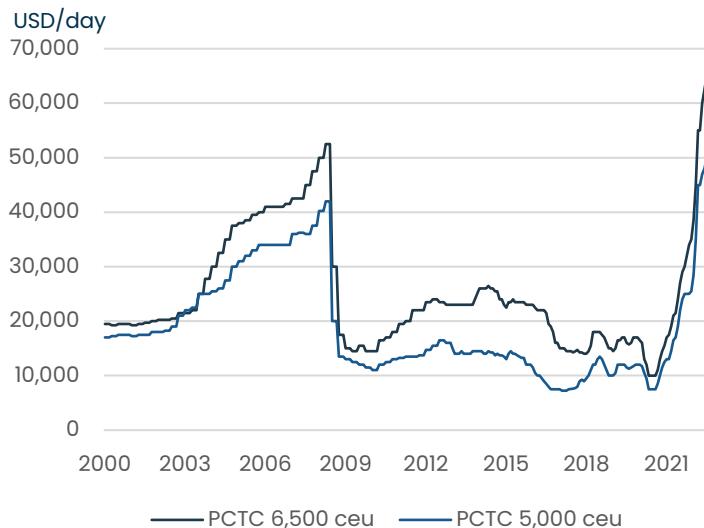
The global fleet controlled by PCTC tonnage providers amounted to 180 vessels at end of June, unchanged from the end of 2021. Currently there are an estimated 9 vessels controlled by tonnage providers open for contract renewal for the remainder of 2022. This compares to about 30 open vessels at the end of the first quarter this year.

### Time charter rates

The combination of increased demand and limited vessels supply has led to a significant increase in TC rates.

Current 12-month TCE contract rates for Panamax vessels are estimated at USD 65,000 per day, up USD 30,000 YTD, according to data from Clarkson's. 12-month TCE rates for Mid-size vessel are assessed at USD 50,000 per day, an increase of USD 24,500 YTD.

The company estimates the current 12-month TCE for Distribution vessels at USD 17,000 per day, also significantly up YTD.



# Financial review

The reported condensed interim consolidated financial figures for the Gram Car Carriers Group presented below comprise revenue and expenses incurred for the full period 1 January 2022 – 30 June 2022. The carrying values of assets and liabilities represent a continuation of historical carrying values. Reference is made to note 1 – General information in the condensed interim consolidated financial statements.

## Key figures

In USD thousands	Q2 2022	Q1 2022	H1 2022
Operating revenue	27,740	23,534	51,274
EBITDA	16,165	12,691	28,856
EBIT	9,294	5,906	15,201
Profit/ (loss) for the period	5,348	2,081	7,429
 Cash flow from operating activities	 19,162	 8,955	 28,115
In USD thousands	30 Jun 2022	31 Mar 2022	H1 2022
Cash and cash equivalents	26,496	22,948	26,496
Interest-bearing debt	325,987	333,005	325,987
Equity ratio	40%	39%	40%

## Financial performance

Second quarter 2022 operating revenue of USD 27.7 million reflected improved average time charter rates compared to the prior quarter, especially for the mid-size vessels with several vessels delivered to new charters with higher earnings. Utilisation was impacted by the extended drydocking periods for three vessels during the quarter due to strict Covid-19 protocols at Chinese shipyards.

Vessel operating expenses amounted to USD 9.5 million and administrative expenses were USD 2.1 million. EBITDA was USD 16.2 million, up from USD 12.7 million in the first quarter of 2022, and EBIT amounted to USD 9.3 million (USD 5.9 million). Net financial expenses of USD 3.9 million reflected mainly interest expense on vessel loans and leases. Net income for the quarter was USD 5.3 million, equal to earnings of USD 0.19 per share.

Operating revenue for the first half amounted to USD 51.3 million and EBIT was USD 15.2 million.

## Financial position

At 30 June 2022, GCC had a cash position of USD 26.5 million. Interest-bearing debt, including lease liabilities amounted to USD 326.0 million. Total assets and book equity were USD 562.2 million and USD 222.5 respectively, equivalent to a book equity ratio of 40%.

## Cash flow

Cash flow from operating activities was USD 19.2 million. The difference from EBITDA in the quarter was due to reduction in working capital. Cash used in investing activities of USD 3.8 million reflected mainly the scheduled drydocking of three vessels during the quarter. Cash flow used in financing activities amounted to USD 10.7 million and reflected the scheduled repayment instalments under the Group's debt facilities and vessel leases and the initial quarterly dividend paid to shareholders in June. Net change in cash and cash equivalents was USD 3.5 million in the quarter.

## **Dividend**

The Board of Directors has proposed a cash dividend of USD 0.093 per share for the second quarter of 2022, equal to 50% of net income for the period. The distribution shall constitute a repayment of the Company's paid in capital subject to approval at the extraordinary general meeting (EGM) on 26 August 2022.

In June, GCC paid a dividend of USD 0.036 per share for the first quarter of 2022.

## **Risk**

GCC is exposed to various operational, financial, regulatory, and legal risks. These are described the information document related to the admission to trading on Euronext Growth dated 28 January 2022.

Global inflationary pressure has led to central banks to increase interest rates, and further rate increases are expected during the second half of 2022. Changes to interest rates affect GCC's borrowing costs and TC break even as the company's debt is linked to US dollar Libor.

While the war in Ukraine has affected the Company's operations, the direct financial impact has been limited. GCC is following the situation closely but cannot rule out potential future impacts from the war in Ukraine. This includes potential further reductions to energy supply to Europe which in extreme situations could lead to power rationing and potential temporary factory shutdowns or slowdowns affecting industrial activity including the production of cars. The ongoing economic activity slowdown in the US and Europe may, if sustained over a prolonged period, impact car sales and lead to reduced transport volumes.

## **Outlook**

As the world's third-largest tonnage provider within the PCTCs segment, GCC is well positioned to capture a historically strong market with long-term favourable supply demand dynamics. The strong market fundamentals are manifested in charter agreements with dayrates setting new industry standards combined with longer durations. This is reflected in an increasing revenue backlog. The company has 41% and 69% open days in 2023 and 2024, respectively, and several vessels coming up for contract renewals in coming months. The Company expects to sign further contracts at increased dayrates to support future earnings growth and direct shareholder returns through attractive dividends.

GCC is on track for the planned transfer to the Oslo Stock Exchange's main market from Euronext Growth before year end.

Oslo, 18 August 2022

Board of Directors, Gram Car Carriers ASA

# Condensed interim financial statements

The reported condensed interim consolidated financial figures for the Gram Car Carriers Group presented below comprise revenue and expenses incurred for the full period 1 January 2022 – 30 June 2022. The carrying values of assets and liabilities represent a continuation of historical carrying values. Reference is made to note 1 – General information in the condensed interim consolidated financial statements.

## Consolidated statement of income (unaudited)

In USD thousands	Notes	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Operating revenue	6	27,740	19,319	51,274	35,919	78,029
Vessel operating expenses		(9,505)	(8,528)	(18,863)	(17,455)	(34,479)
Administrative expenses		(2,070)	(848)	(3,555)	(1,840)	(8,162)
<b>EBITDA</b>		<b>16,165</b>	<b>9,943</b>	<b>28,856</b>	<b>16,624</b>	<b>35,388</b>
Depreciation	7/8	(6,871)	(6,273)	(13,655)	(12,633)	(24,792)
<b>Operating result (EBIT)</b>		<b>9,294</b>	<b>3,670</b>	<b>15,201</b>	<b>3,991</b>	<b>10,596</b>
Financial income		313	31	405	31	339
Financial expenses		(4,259)	(4,199)	(8,178)	(8,354)	(18,402)
<b>Profit/ (loss) before tax (EBT)</b>		<b>5,348</b>	<b>(498)</b>	<b>7,429</b>	<b>(4,332)</b>	<b>(7,466)</b>
Income tax expense		-	(4)	-	(4)	(6)
<b>Profit/ (loss) for the period</b>		<b>5,348</b>	<b>(502)</b>	<b>7,429</b>	<b>(4,336)</b>	<b>(7,472)</b>
Attributable to:						
Equity holders of the parent company		5,348	(812)	7,429	(4,655)	(7,935)
Non-controlling interests		-	310	-	319	463
		5,348	(502)	7,429	(4,336)	(7,472)
Earnings per share (USD):						
Basic earnings per share		0.19		0.26		
Diluted earnings per share		0.19		0.26		

## Consolidated statement of comprehensive income (unaudited)

In USD thousands	Notes	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Profit/ (loss) for the period		5,348	(502)	7,429	(4,336)	(7,472)
Exchange differences on translation of foreign operations		56	(38)	48	(19)	43
<b>Total comprehensive income</b>		<b>5,404</b>	<b>(540)</b>	<b>7,477</b>	<b>(4,355)</b>	<b>(7,429)</b>
Attributable to:						
Equity holders of the parent company		5,404	(850)	7,477	(4,674)	(7,892)
Non-controlling interests		-	310	-	319	463

## Consolidated statement of financial position (unaudited)

In USD thousands	Notes	30 Jun 2022	31 Dec 2021
<b>Assets</b>		<b>562,162</b>	<b>494,683</b>
Non-current assets		529,886	474,635
Vessels and other tangible assets	7	378,385	410,605
Right-of-use assets	8	151,171	62,871
Other non-current assets		330	1,159
Current assets		32,276	20,049
Fuel and lubrication oil		1,903	1,738
Trade and other receivables		1,592	1,839
Cash and cash equivalents		26,496	15,960
Other current assets		2,285	512
<b>Equity and liabilities</b>		<b>562,162</b>	<b>494,683</b>
Equity	12	222,463	79,239
Non-current liabilities		284,784	121,397
Interest-bearing debt - non-current	9	197,417	63,437
Lease liabilities - non-current	10	87,367	30,477
Redeemable convertible loans		-	27,483
Current liabilities		54,915	294,048
Interest-bearing debt - current	9	29,200	263,323
Lease liabilities - current	10	12,004	16,902
Trade and other payables		9,558	10,596
Derivative financial instruments		-	98
Deferred income		4,153	3,129

## Consolidated statement of changes in equity (unaudited)

In USD thousands	Share capital	Share premium	Retained earnings/ (acc. losses)	Other equity	Non-controlling interests	Total
<b>Equity at 1 January 2022</b>	<b>125</b>	<b>6,670</b>	<b>(166,695)</b>	<b>224,960</b>	<b>14,178</b>	<b>79,239</b>
Conversion of convertible loans						
Old Group shareholders	-	-	-	27,669	-	27,669
Capital increase – private placement (cash)	3,623	62,259	-	-	-	65,882
Capital increase – private placement (contribution in kind)	2,736	47,010	-	-	-	49,746
Capital increase – contribution in kind (Old Group equity holders and non-controlling interests)	3,173	54,520	-	(43,515)	(14,178)	-
Transaction costs	-	-	-	(6,983)	-	(6,983)
Estimated effect of liquidation						
Old Group	-	-	-	491	-	491
Total comprehensive income for the period	-	-	7,429	48	-	7,477
Dividend paid	-	(1,057)	-	-	-	(1,057)
<b>Equity at 30 June 2022</b>	<b>9,657</b>	<b>169,402</b>	<b>(159,266)</b>	<b>202,670</b>	<b>-</b>	<b>222,463</b>
Equity at 1 January 2021	113	-	(158,759)	231,599	13,715	86,667
Capital increase – contribution in kind (Gram Car Carriers Management AS)	12	6,670	-	(6,681)	-	-
Total comprehensive income for the period	-	-	(7,935)	43	463	(7,429)
<b>Equity at 31 December 2021</b>	<b>125</b>	<b>6,670</b>	<b>(166,695)</b>	<b>224,960</b>	<b>14,178</b>	<b>79,239</b>

## Consolidated statement of cash flows (unaudited)

In USD thousands	Note	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Profit/ (loss) for the period		5,348	(498)	7,429	(4,332)	(7,466)
Financial (income)/ expenses		4,077	4,086	7,903	8,187	17,836
Depreciation		6,871	6,273	13,655	12,633	24,792
Income tax expense		-	(14)	-	(14)	(25)
Cash flow from operating activities before changes in working capital		16,296	9,847	28,987	16,474	35,137
Changes in working capital:						
Trade and other receivables		671	1,724	248	11	(1,181)
Fuel and lubrication oil		(598)	247	(166)	838	895
Other current assets		509	81	(1,773)	(226)	105
Other non-current assets		(171)	-	829	-	-
Trade and other payables		476	(146)	(1,034)	(3,132)	1,489
Deferred income		1,979	438	1,024	631	1,891
<b>Cash flow from operating activities</b>		<b>19,162</b>	<b>12,191</b>	<b>28,115</b>	<b>14,596</b>	<b>38,335</b>
Investment in vessels and other tangible fixed assets		(3,449)	(2,456)	(67,019)	(3,529)	(7,064)
Investment in right-of-use assets		(390)	-	(2,716)	-	-
Proceeds from sale of tangible fixed assets		-	-	-	-	42,669
<b>Cash flow from investing activities</b>		<b>(3,839)</b>	<b>(2,456)</b>	<b>(69,735)</b>	<b>(3,529)</b>	<b>35,605</b>
Dividend paid		(1,057)	-	(1,057)	-	-
Proceeds from issue of shares		331	-	108,645	-	-
Proceeds from issue of debt		14,361	-	232,246	-	-
Proceeds from sale-lease-back financing		-	-	70,000	-	-
Repayment of debt		(6,154)	-	(332,810)	-	(7,393)
Repayment of lease liability		(15,597)	(606)	(18,009)	(695)	(48,140)
Interest paid on interest-bearing debt		(2,183)	(1,399)	(3,895)	(2,541)	(11,157)
Interest paid on lease liabilities		(1,476)	(772)	(2,936)	(1,606)	(2,904)
Other financial items		-	(38)	(27)	(18)	43
<b>Cash flow from financing activities</b>		<b>(11,775)</b>	<b>(2,815)</b>	<b>52,156</b>	<b>(4,860)</b>	<b>(69,551)</b>
Net change in cash and cash equivalents		3,548	6,921	10,536	6,207	4,389
Cash and cash equivalents at beginning of period		22,948	11,571	15,960	11,571	11,571
<b>Cash and cash equivalents at end of period</b>		<b>26,496</b>	<b>18,492</b>	<b>26,496</b>	<b>17,778</b>	<b>15,960</b>

## Notes to the condensed interim consolidated financial statements (unaudited)

### **Note 1 – General information**

Gram Car Carriers ASA (the 'Company') is a public limited liability company (Norwegian: allmennaksjeselskap) incorporated and domiciled in Norway, with registered address at Bryggegata 9, 0250 Oslo, Norway. The Company was incorporated on 3 August 2021. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group'). The principal activities of the Group is to invest in and to operate maritime assets in the pure car and truck carrier shipping ('PCTC') segment. The shares of the Company are listed on Euronext Growth under the ticker 'GCC'.

The Company was a wholly owned subsidiary of Gram Car Carriers Holding Pte. Ltd. until January 2022, and the Group was established in its current form through a series of linked transactions completed in January 2022:

- i. The acquisition by the Group of all activities of Gram Car Carriers Holdings Pte. Ltd. and its subsidiaries ('Old Group');
- ii. The acquisition of two PCTC vessels from a third party, settled with a combination of cash and shares;
- iii. The injection of USD 173.3 million in new equity, of which USD 71.3 million in cash and USD 102.0 million as contribution in kind. The latter comprise USD 57.7 million contribution in kind from shareholders of Gram Car Carriers Holdings Pte. Ltd. and non-controlling interests in its subsidiaries and the remaining USD 44.3 million representing part consideration for the two PCTC vessels acquired from a third party and settled by issuing shares (contribution in kind); and
- iv. New debt raised to settle Old Group's existing debt and partial financing of the two additional PCTC vessels acquired.

This series of linked transactions is for accounting purposes considered as a restructuring and refinancing of the Old Group, together with an issue of new shares (capital increase). This implies that the carrying values of assets and liabilities in the Old Group will be recognised in the Group in Q1 2022 (with Old Group figures as comparable figures for 2021).

As per 30 June 2022 the Group operates 18 PCTC vessels, of which 15 are owned vessels and 3 are leased vessels.

### **Note 2 – Basis for preparation**

The interim consolidated financial statements for the period 1 January 2022 – 30 June 2022 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union.

The financial statements have not been subject to audit and do not include all information and disclosures required in the annual financial statements.

The financial statements are based on historical cost except as disclosed in the accounting policies below.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and consolidation is continued until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same accounting period as the Company, using consistent accounting principles for similar transactions and events under otherwise similar circumstances.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated.

Non-controlling interests represent the portion of comprehensive income and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity.

The financial statements are presented in US Dollar (USD), which is the functional currency of the Company and the Group. Amounts are rounded to the nearest thousand, unless otherwise stated.

The consolidated financial statements are prepared based on the assumption of going concern.

Only standards and interpretations that are applicable to the Group have been included and the Group reviews the impact of these changes in its financial statements. The Group will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

### **Note 3 – Significant accounting policies**

#### *Revenue recognition*

Time charter revenue generated from time charter parties with customers are accounted for in accordance with IFRS 16 and IFRS 15 and classified under operating revenue in the income statement net of commissions. The Group's time charter parties normally have a duration of 6 months to 5 years and a significant portion of the risks and rewards of ownership are retained by the lessor, hence the lease is classified as operating lease.

Time charter revenue is recognised in the income statement on a straight-line basis over the period of the time charter contract unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Amount received in advance and unearned at the end of the reporting period is not recognised in the income statement and instead taken up as deferred revenue in the statement of financial position.

#### *Operating expenses*

Operating expenses are accounted for on an accrual basis. Expenses are charged to the income statement, except for those incurred in the acquisition of an investment which are capitalised as part of the cost of the investment. Expenses arising on the disposal of investments are deducted from the disposal proceeds.

Vessel operating expenses of the Group are expenses related to the operation of vessels, such as (but not limited to) crewing expenses, expenses for repair and maintenance, lubrication oil consumption and insurance.

#### *Financial income and expenses*

Interest income and expense is recognised as accrued and is presented under the financial income or expense in the income statement.

#### *Foreign currency transactions*

Transactions in foreign currencies are recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the functional currency rate prevailing at the balance sheet date. Exchange differences arising from translations into functional currency are recorded in the income statement. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated into the functional currency using the historical exchange rate. Non-monetary assets and liabilities recognised at fair value are translated using the exchange rate on the date of the determination of the fair value.

For subsidiaries with functional currencies other than USD, financial position items are translated at the rate of exchange at the balance sheet date, and income statements are translated at the exchange rate

prevailing at the date of the transaction. Exchange differences arising on the translation are recognized in other comprehensive income as foreign currency differences.

#### *Vessels and other tangible assets*

Tangible fixed assets are stated at historical cost, less subsequent depreciation and impairment. For vessels purchased, these costs include expenditures that are directly attributable to the acquisition of the vessels and eligible for capitalisation. Upon acquisition, each component of the vessels, with a cost significant to the total acquisition costs, is separately identified and depreciated over that component's useful life on a straight-line basis.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, taking residual values into consideration, and adjusted for impairment charges, if any. The estimated useful life of the Group's vessels is 30 years. Residual values of the vessels are estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton. Expected useful lives of assets, and residual values, are reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation calculations are altered accordingly.

Ordinary repairs and maintenance expenses are charged to the income statement as incurred. Costs related to dry-docking or other major overhauls are recognized in the carrying amount of the vessels. The recognition is made when the dry-docking has been performed and is depreciated based on estimated time to the next class renewal. The remaining costs that do not meet the recognition criteria are expensed as repairs and maintenance.

Vessels and other tangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognised.

#### *Impairment of vessels and other tangible assets*

Vessels and other tangible assets are assessed for impairment indicators each reporting period. If impairment indicators are identified, the recoverable amount is estimated, and if the carrying amount exceeds its recoverable amount an impairment loss is recognised, i.e. the asset is written down to its recoverable amount. An asset's recoverable amount is calculated as the higher of the net realisable value and its value in use. The net realisable value is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of sale and the value in use is the present value of estimated future cash flows expected from the continued use of an asset. An impairment loss recognised in prior periods for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

#### *Leases*

##### Group as lessee (right-of-use assets)

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial

direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

#### Group as lessor

The Group enters into lease agreements as a lessor with respect to its vessels under operating leases to non-related parties.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Charter income received under operating leases (net of any incentives given to lessee) is recognised in profit or loss on a straight-line basis over the period of the lease term.

#### *Inventories*

The Group values its inventories, which comprise mainly of lubrication oil and fuel on board the vessels, at the lower of cost and net realisable value. They are accounted for on a first-in/first-out basis.

#### *Trade and other receivables*

Trade and other receivables are measured at transaction price upon initial recognition and subsequently measured at amortized cost less expected credit losses.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, bank deposits and other highly liquid investments with original maturities of three months or less.

#### *Share issuance*

Share issuance costs related to a share issuance transaction are recognised directly in equity. If share issuance costs, for tax purposes, can be deducted from other taxable income in the same period as they are incurred, the costs are recognised net after tax.

#### *Earnings per share*

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per share are calculated by dividing the profit for the reporting period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

#### *Dividends*

Dividends are recognised as a liability in the Group's financial statements from the date when the dividend is approved by the General Meeting.

#### *Financial liabilities*

All loans and borrowings are initially measured at fair value less directly attributable transaction costs, and are subsequently measured at amortized cost, using the effective interest method. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

### *Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is more likely than not that an outflow or resources representing economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### *Fair value measurement*

Derivative financial instruments are measured at fair value. The fair value of financial instruments traded in active markets is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. The fair value of financial instruments not traded in active markets is determined using appropriate evaluation techniques.

### *Taxes*

The Company is subject to ordinary Norwegian taxation. Tax expense comprises tax payable and deferred tax expense. Tax payable is measured at the amount expected to be paid to authorities while deferred tax assets/liabilities are calculated based on temporary differences at the reporting date. Deferred tax assets are recognised to the extent that it is probable that they can be utilized in the future. Deferred tax liabilities/deferred tax assets within the same tax system that can be offset are recorded on a net basis. Income tax relating to items recognised directly in equity is included directly in equity and not in the statement of income.

The vessel owning subsidiaries in the Group are subject to taxation under the Norwegian tonnage tax regime. Under the tonnage tax regime, profit from operations is exempt from taxes. Taxable profit is calculated on the basis of financial income after deduction of a portion of financial expenses. The portion is calculated as financial assets in percent of total assets. Tonnage tax is payable based on the net tonnage of vessels. Tonnage tax is classified as an operating expense.

### *Related parties*

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. Related party transactions are recorded to estimated fair value.

### *Employee benefits*

The Group is required to provide a pension plan towards its employees, and the Group has implemented a defined contribution plan. The plan complies with the requirements in the Mandatory Occupational Pension act in Norway ("Lov om obligatorisk tjenestepensjon"). A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments are available.

### *Classification in the statement of financial position*

Current assets and short-term liabilities include items due less than one year from the balance sheet date, as well as items due more than one year from the balance sheet date, that are related to the operating cycle.

Liabilities with maturity less than one year from the balance sheet date are classified as current. All other debt is classified as long-term debt. Long-term debt due for repayment within one year from the balance sheet date is classified as current.

#### *Statement of cash flows*

The statement of cash flows has been prepared based on the indirect method.

#### *Subsequent events*

New information on the Group's financial position at the balance sheet date is taken into account in the financial statements. Subsequent events that do not affect the Group's position at the balance sheet date, but which will affect the Group's position in the future, are disclosed if significant.

#### **Note 4 - Critical accounting judgements and key sources of estimation uncertainty**

The preparation of consolidated financial statements for the Group and application of the accounting policies, which are described in Note 3, requires judgements, estimates and assumptions to be made about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual outcomes may differ from these estimates and assumptions and could require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an on-going basis.

#### *Judgements*

Management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are disclosed below).

#### *Assumptions and estimation uncertainties*

The following assumptions and estimation uncertainties can have a significant risk of resulting in a material adjustment to the carrying amounts of assets:

i. Depreciation, useful lives and residual values of vessels

Depreciation is based on estimates of the vessels' useful lives, residual values, scrapping costs and depreciation method, which are reviewed at each balance sheet date. Any changes in estimated useful lives and/or residual values impact the depreciation of the vessels prospectively.

ii. Impairment of vessels

Indicators of impairment of assets are assessed at each reporting date. The impairment assessments demand a considerable degree of estimation. Changes in circumstances and assumptions may significantly affect the estimated recoverable amounts. The Group's impairment test for operating vessels is based on the value in use as assessed by performing discounted cash flow calculations. Value in use calculations involve a high degree of estimation and a number of critical assumptions such as time charter rates, operational expenses, residual values and discount rates.

### Note 5 – Segment information

All the Group's vessels can be categorised in the pure car and truck carrier (PCTC) shipping segment and exhibit similar technical, trading, economic and financial characteristics, and charter parties entered into with customers are typically for global operation of the vessels.

### Note 6 – Operating revenue

In USD thousands	Q2 2022	Q2 2021
Time charter revenue	27,909	19,403
Time charter hire commissions	(499)	(268)
Management fees and time charter hire commissions	230	184
Other income	100	-
<b>Total operating revenue</b>	<b>27,740</b>	<b>19,319</b>

The Group's vessels earn revenue from time charter parties entered into with operators providing services related to the seaborne transportation of vehicles and equipment.

### Note 7 – Vessels and other tangible assets

Details of the Group's vessels and other tangible assets at 30 June 2022 are as follows:

In USD thousands	Vessels	Equipment	Total
Acquisition cost at 1 January 2022	685,214	27	685,241
Additions – Acquisition of vessels	72,513	-	72,513
Additions – Drydocking	3,962	-	3,962
Additions – Technical upgrade	1,449	-	1,449
Disposals of vessels	(127,273)	-	(127,273)
Acquisition cost 30 June 2022	635,865	27	635,892
Acc. depreciation and impairment at 1 January 2022	(274,630)	(6)	(274,636)
Depreciation for the period	(10,281)	-	(10,281)
Disposals	27,410	-	27,410
Acc. depreciation and impairment at 30 June 2022	(257,501)	(6)	(257,507)
<b>Carrying amount at 30 June 2022</b>	<b>378,365</b>	<b>20</b>	<b>378,385</b>
Acquisition cost at 1 January 2021	679,000	12	679,012
Additions – Drydocking	3,990	-	3,990
Additions – Technical upgrade	2,224	-	2,224
Additions	-	15	15
Acquisition cost 31 December 2021	685,214	27	685,241
Acc. depreciation and impairment at 1 January 2021	(253,461)	(5)	(253,466)
Depreciation for the period	(21,169)	(2)	(21,171)
Disposals			
Acc. depreciation and impairment at 31 December 2021	(274,630)	(6)	(274,636)
<b>Carrying amount at 31 December 2021</b>	<b>410,584</b>	<b>20</b>	<b>410,605</b>

In January 2022, 12 vessels were acquired from Gram Car Carriers Holdings Pte. Ltd. and its subsidiaries (Old Group). Prior to the private placement and capital increase carried out in January 2022, the Company was a wholly owned subsidiary of Gram Car Carriers Holdings Pte. Ltd. The acquisition of these vessels has been

accounted for on a continuing basis, meaning the carrying amounts from the Old Group have been adopted by the Group, ref note 1.

In January 2022, another two vessels were acquired from a third party for a total consideration of USD 61,628,000 with partial payment in cash and newly issued shares.

In April 2022, the Group completed a refinancing of a lease for the PCTC vessel Viking Drive, whereby the Group has exercised a purchase option and entered into a USD 15 million senior secured credit facility agreement to finance the vessel. The vessel has hence been reclassified from Right-of-use assets to Vessels and other intangible assets.

At each reporting date, the Group evaluates whether there is an indication that an asset may be impaired. An assessment of the recoverable amount is made when an impairment indicator exists. At 30 June 2022, no such indicators have been identified.

Vessels include dry-docking and technical upgrades. The carrying amount for dry-docking was USD 9,679,000 at 30 June 2022 (31 December 2021: USD 7,892,000).

#### Note 8 – Right-of-use assets

Details of the Group's right-of-use assets at 30 June 2022 are as follows:

In USD thousands	Vessels	Office premises	Total
Acquisition cost at 1 January 2022	77,113	1,537	78,650
Additions – Acquisition of vessels	99,864	–	99,864
Additions – Drydocking	906	–	906
Additions – Technical upgrade	14	–	14
Additions – Transaction costs	1,795	–	1,795
Additions – Office premises	–	2	2
Disposal – Right-of-right-of-use assets	(16,704)	(244)	(16,948)
Acquisition cost 30 June 2022	162,988	1,294	164,282
Acc. depreciation and impairment 1 January 2022	(14,743)	(1,036)	(15,779)
Depreciation for the period	(3,214)	(160)	(3,374)
Disposals	5,819	223	6,042
Acc. depreciation and impairment at 30 June 2022	(12,138)	(973)	(13,111)
<b>Carrying amount at 30 June 2022</b>	<b>150,850</b>	<b>321</b>	<b>151,171</b>
Acquisition cost at 1 January 2021	126,690	1,287	127,977
Additions – Drydocking	803	–	803
Additions – Technical upgrade	32	–	32
Additions	–	249	249
Disposals of right-of-use assets	(50,412)	–	(50,412)
Acquisition cost 31 December 2021	77,113	1,537	78,650
Acc. depreciation and impairment 1 January 2021	(18,658)	(676)	(19,334)
Depreciation for the period	(3,827)	(360)	(4,187)
Disposals	7,743	–	7,743
Acc. depreciation and impairment at 31 December 2021	(14,743)	(1,036)	(15,779)
<b>Carrying amount at 31 December 2021</b>	<b>62,370</b>	<b>501</b>	<b>62,871</b>

As at 30 June 2022, the Group operated three leased PCTS vessels. The lease agreements for these vessels were entered into on 25 January 2022 when the Group assumed the existing leases originally held by Gram

Car Carriers Holdings Pte. Ltd. and its subsidiaries (Old Group). Prior to the private placement and capital increase carried out in January 2022, the Company was a wholly owned subsidiary of Gram Car Carriers Holdings Pte. Ltd. The assumption of the leases for these vessels has been accounted for on a continuing basis, meaning the carrying amounts from the Old Group have been adopted by the Group, ref note 1.

At each reporting date, the Group evaluates whether there is an indication that an asset may be impaired. An assessment of the recoverable amount is made when an impairment indicator exists. At 30 June 2022, no such indicators have been identified.

Vessels include dry-docking and technical upgrades. The carrying amount for dry-docking was USD 2,270,000 at 30 June 2022 (31 December 2021: USD 758,000).

Transaction costs amounting to USD 1,795,000 have been capitalised under right-of-use assets in connection with the assumption of leases during the first half of 2022.

During the second quarter of 2022, the Group completed a refinancing of a lease for the PCTC vessel Viking Drive, whereby the Group exercised a purchase option and entered into a USD 15 million senior secured credit facility agreement to finance the vessel. The vessel has hence been reclassified from Right-of-use assets to Vessels and other tangible assets.

#### **Note 9 – Interest-bearing debt**

Details of the Group's interest-bearing debt at 30 June 2022 are as follows:

USD thousands	Currency	Facility amount	Interest	Maturity	Out-standing
USD 222 million senior secured credit facility	USD	222,000	2.95%	Jan 2027	215,950
USD 15 million senior secured credit facility	USD	15,000	4.70%	Apr 2025	15,000
					<b>230,950</b>
Amortised debt issuance costs					(4,333)
<b>Total interest-bearing debt at 30 June 2022</b>					<b>226,617</b>

In January 2022, the Group entered into a USD 222 million senior secured credit facility agreement for the financing of 13 PCTC vessels acquired by the Group, ref note 7.

In April 2022, the Group completed a refinancing of a lease for the PCTC vessel Viking Drive, whereby the Group exercised a purchase option and entered into a USD 15 million senior secured credit facility agreement to finance the vessel. Collateral under the facility comprises the two PCTC vessels Viking Drive and Viking Princess.

As per 30 June 2022, the Group is in compliance with all financial covenants and value maintenance tests, including value adjusted equity of minimum 35% and at all times USD 50 million; minimum cash of no less than the greater of 5% of total interest-bearing debt outstanding and USD 10 million; and fair market value of at least 130% of interest-bearing debt outstanding.

Details of the Group's contractual maturities of interest-bearing debt on a non-discounted basis as at 30 June 2022 are as follows:

USD thousands	Due within 12 months	12-24 months	24-36 months	36-48 months	Due after 30 Jun 2026
Interest-bearing debt	29,200	28,530	27,440	26,630	119,150

## Note 10 – Lease liabilities

Details of the Group's interest-bearing debt at 30 June 2022 are as follows:

USD thousands	Currency	Facility amount	Interest	Maturity	Out-standing
Lease (Viking Adventure/Viking Bravery)	USD	70,000	4.00%	Nov 2029	67,506
Lease (Viking Destiny)	USD	41,702	3.85%	Mar 2027	31,518
Other lease liabilities					347
<b>Total lease liabilities at 30 June 2022</b>					<b>99,371</b>

In January 2022, the Group entered into a USD 70 million sale-and-lease-back financing for two PTCS vessels, Viking Adventure and Viking Bravery. The transaction was completed on 25 January 2022 and existing financing on the vessels were fully repaid on the same date.

As per 30 June 2022, the Group is in compliance with all financial covenants and value maintenance tests, including value adjusted equity of minimum 35% and at all times USD 50 million; minimum cash of no less than the greater of 5% of total interest-bearing debt outstanding and USD 10 million; and fair market value of at least 125% of interest-bearing debt outstanding.

In April 2022, the Group completed a refinancing of the lease for Viking Drive in April 2022, whereby the Group exercised a purchase option and entered into senior secured credit facility agreement to finance the vessel, ref note 9.

Details of the Group's contractual maturities of lease liabilities on a non-discounted basis as at 30 June 2022 are as follows:

USD thousands	Due within 12 months	12-24 months	24-36 months	36-48 months	Due after 30 Jun 2026
Lease liabilities	12,004	8,859	9,127	9,406	59,975

## Note 11 – Transactions with related parties

On 25 January 2022, the Group acquired the two PCTC vessels Passama and Passero from MS "Passama" GmbH & Co. KG and MS "Passero" GmbH & Co. KG, entities controlled by the vice chair of the Board, Nikolaus H. Schües and family. The consideration for the two vessels was USD 61,628,000 and was settled partly by cash and partly by issuance of shares as part of the private placement carried out in January, ref note 1.

The Group has entered into technical ship management agreements with Reederei F. Laeisz GmbH under which the Group purchases technical ship management services for the two vessels. Reederei F. Laeisz GmbH is a company controlled by the vice chair of the Board, Nikolaus H. Schües and family.

The Group makes use of commercial brokerage services from Martini Dry Chartering GmbH for which the Group pays charter hire commissions. Martini Dry Chartering GmbH is a Company controlled by the vice chair of the Board, Nikolaus H. Schües and family.

In consideration for acting as commercial adviser for Global Auto Carriers AS and its subsidiaries (GAC) in connection with four newbuilds ordered by GAC, the Group will receive commissions equal to 1% of the gross contract price for the vessels. Global Auto Carriers AS is controlled by shareholders of GCC and therefore considered a related party.

The Group has entered into a trademark license agreement with P D Gram & Co AS for the Group's use of the "Gram" wordmark, name and figurative mark. P D Gram & Co AS, a company controlled by the Gram family, hereunder Head of Project Harald Mathias Gram, Board Member Nils Kristoffer Gram and the Group's founder Peter D. Gram.

Details of the Group's transactions with related parties are as follows:

In USD thousands	Related party	Q2 2022	H1 2022
Technical ship management fees	Reederei F. Laeisz GmbH	(87)	(151)
Charter hire commissions	Martini Dry Chartering GmbH	(33)	(72)
Commissions	Global Auto Carriers Group	171	171
Trademark license	P D Gram & Co AS	(101)	(101)

All related party transactions are carried out at market terms.

#### Note 12 – Share capital

In USD	No. of shares	Share capital
1 January 2022	10,000,000	125
Reverse split (26.497:1)	(9,622,605)	-
	377,395	125
Share capital increase 17 January 2022	10,774,182	3,623
Share capital increase 17 January 2022	17,570,227	5,909
<b>30 June 2022</b>	<b>28,721,804</b>	<b>9,657</b>
3 August 2021 (date of incorporation)	1,000,000	113
Shares capital increase 12 October 2021 (reduction par value)	-	12
Split par value (1:10)	9,000,000	-
<b>31 December 2021</b>	<b>10,000,000</b>	<b>125</b>

On 17 January 2022, the Board of Directors had proposed, and EGM of the Company resolved to carry out a reverse split of the Company's shares in the ratio 26.4974 to 1, whereby the par value was increased from NOK 0.11 to NOK 2.9147. The number of shares was reduced from 10,000,000 to 377,395 following the reverse split.

Following the private placement in connection with the listing of the Company's shares on Euronext Growth and the acquisition of 18 PCTC vessels, capital increases were proposed by the Board of Directors and resolved by the EGM of the Company on 17 January 2022 whereby the share capital was increased by NOK 82,615,959 from NOK 1,100,000 to NOK 83,715,959 by issuance of 28,344,409 new shares, each with a par value of NOK 2.9147. The shares were subscribed for at a price of NOK 53.00, whereof the amount of NOK 1,419,637,718 was transferred to share premium. 16,687,124 of the new shares were issued as part of the consideration paid for the 18 vessels acquired.

At 30 June 2022 the share capital of the Company consists of 28,721,804 shares with par value per share of NOK 2.9147. All issued shares are of equal rights and are fully paid up.

# Statement by the Board and Management

The Board of Directors and Management have reviewed and approved the condensed interim financial statements of Gram Car Carriers ASA for the period 1 January – 30 June 2022 and confirm that to the best of our knowledge:

- The condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting;
- The information presented in the condensed interim financial statements gives a true and fair view of the Group's assets, liabilities, financial position and income;
- The information presented in the condensed interim financial statements gives a true and fair view on related party transactions; and
- The interim report includes a fair review of important events that have occurred during the period and their impact on the consolidated financial statements and a description of the principal risks and uncertainties for the period

Oslo, 18 August 2022

Board of Directors and Chief Executive Officer, Gram Car Carriers ASA

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Ivar Hansson Myklebust  
Chair

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Hans Nikolaus Schües  
Deputy Chair

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Alasdair James Dougall Locke

---

Christine Rødsæther

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Nils Kristoffer Gram

---

Gaby Bornheim

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Clivia Catharina Breuel

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Georg Alexander Whist  
Chief Executive Officer

## Alternative performance measures and glossary

The Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The Group presents certain financial measures using alternative performance measures (APMs) not defined in the IFRS reporting framework. The Group believes these APMs provide meaningful information about operational and financial performance. Relevant APMs include the following and are defined below.

**Time charter (TC):** A contract for the hire of a vessel for a specific period; the owner supplies the vessel and crew, the charterer selects the ports, route and vessel speed. The charterer pays for all fuel the vessel consumes, port charges, commissions, and a daily hire (TC-rate) to the owner of the vessel.

**Average time charter (TC) rate per day/ time charter equivalent (TCE):** Average TC rate per day or TCE represents charter revenue divided by the number of trading days for the Group's vessels or a selection of the Group's vessels during a given reporting period. Trading days include all days whilst the vessel is under the Group's ownership except days when the vessel is idle or off-hire and not generating revenue.

**Average operating expense ('OPEX') per day:** Average OPEX per day is calculated as total operating expenses for the Group's vessels or a selection of the Group's vessels during a given reporting period (including vessel running expenses and insurance premiums) divided by days during the period.

**Break-even TC rate per day:** Break-even TC rate per day represents average OPEX per day (including insurance) with the addition of debt servicing costs, including interest and principal repayments applicable for the relevant vessels and an allocation of administrative expenses.

**Utilisation:** Represents total vessel trading days (idle and off-hire days not included) divided by total days during the relevant period.

**Planned/unplanned off-hire:** Planned off-hire includes planned off-hire days in connection with dry docking and also three days off-hire per vessel per year to carry out repairs and maintenance that cannot be carried out during normal trading of the vessels.

**Contract backlog:** The aggregate value of firm contracts with agreed time charter rate, terms and/or conditions and where revenue is yet to be recognised.

**EBITDA:** Profit/(loss) for the period before net financial items, income tax expense, depreciation and amortization.

**Firm contract:** Customer commits to a fixed long-term contract at a specified time charter rate

**PCC/PCTC:** Pure car carrier/Pure car and truck carrier

**CEU:** Car Equivalent Units

**Panamax:** Capacity 6,000+, serving east-west trade-lanes crossing the canals and major oceans

**Mid-size:** Capacity 3,500-5,999 CEU, serving north-south trade-lanes intra continents

**Distribution ships:** Capacity up to 3,500 CEU, serving regional markets like Northern Europe and Caribbean

## Forward looking statement

This report contains certain forward-looking statements that involve risks and uncertainties. In some cases, the Company uses words such as "ambition", "continue", "could", "estimate", "expect", "believe", "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements regarding plans and expectations with respect to Gram Car Carrier's development and returns, balance sheet and long-term underlying earnings growth; market outlook and future economic projections and assumptions; capital expenditure guidance; production guidance; development and construction activities; projected unit of production cost; accounting decisions and policy judgments, ability to put new facilities into profitable production, and the impact thereof; expected dividend payments; estimated provisions and liabilities; planned acquisitions and divestments; and the projected impact or timing of administrative or governmental rules, standards, decisions or laws, including with respect to and future impact of legal proceedings are forward-looking statements.

You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; price and availability of alternative fuels; currency exchange rate and interest rate fluctuations; the political and economic policies of operating countries; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions; economic sanctions, security breaches; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new plants on stream; an inability to exploit growth or investment opportunities; material differences from reserves estimates; an inability to find and develop new plants; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure when a field is in a remote location and other transportation problems; the actions of competitors; the actions of partners; the actions of governments; counterparty defaults; natural disasters and adverse weather conditions, climate change, and other changes to business conditions; an inability to attract and retain personnel; relevant governmental approvals; industrial actions by workers and other factors discussed elsewhere in this report. For additional information on risk factors see the information document to Euronext Growth dated 28 January 2022 available at [www.gramcar.com](http://www.gramcar.com).

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot assure that its future results, level of activity, performance or achievements will meet these expectations. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any of these statements after the date of this report, whether to make them either conform to actual results or changes in our expectations or otherwise.

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