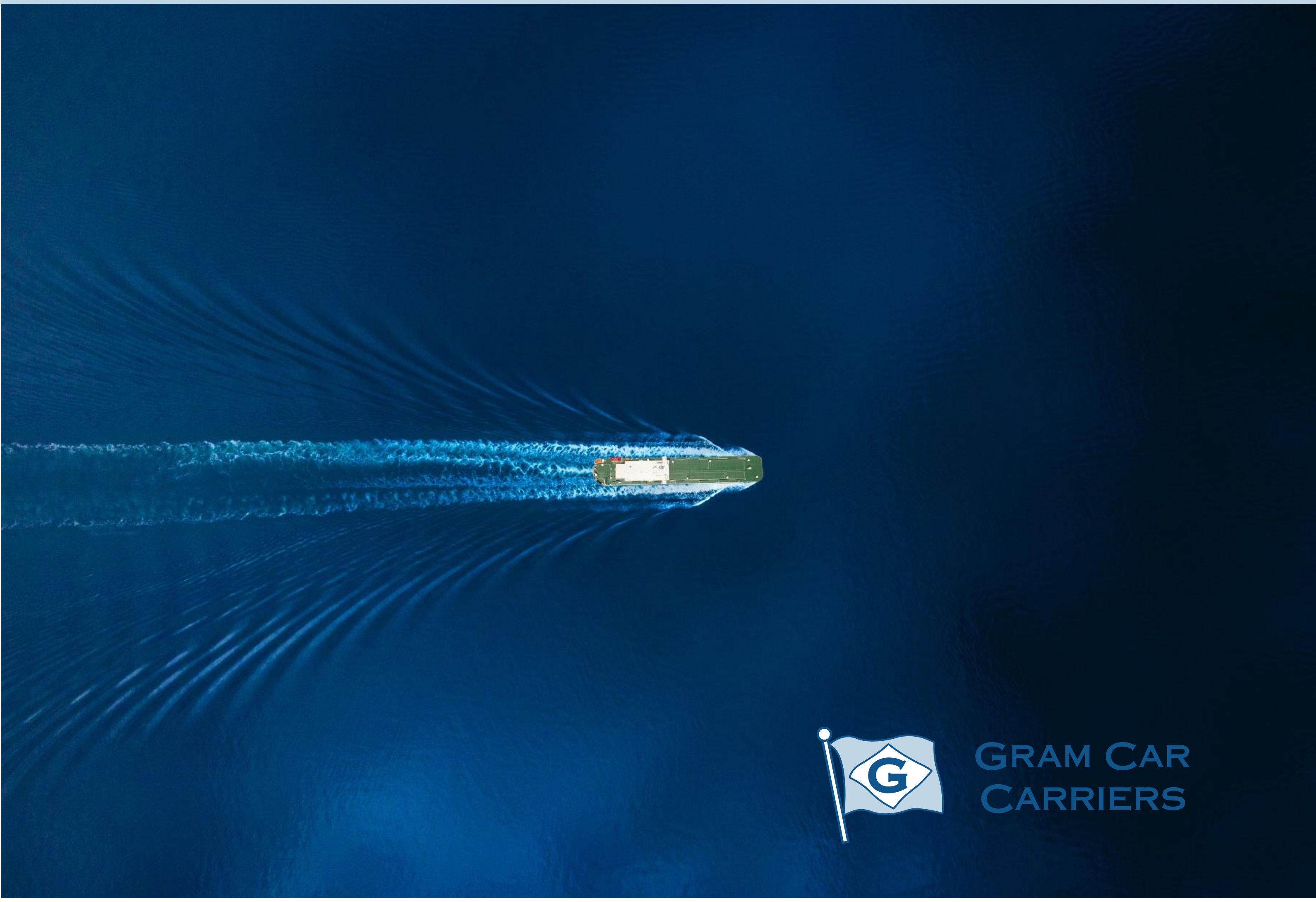
Gram Car Carriers ASA

Interim report
Q4 2022

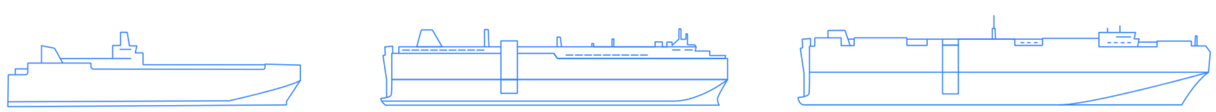


Gram Car Carriers in brief

GCC is the world's third-largest tonnage provider within the Pure Car Truck Carriers (PCTCs) segment with 19 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
- Successfully capturing a historically strong market
- Stated policy of returning minimum 50% of EPS to shareholders through quarterly dividends



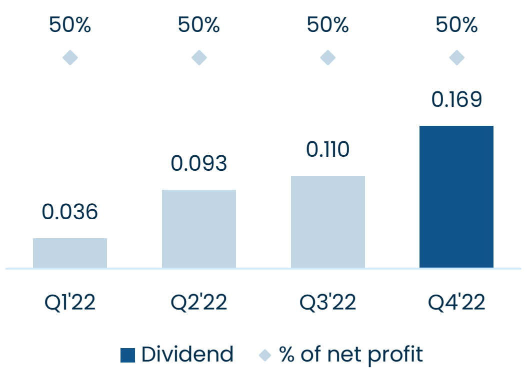
Key events

- Board of Directors proposes dividend of USD 0.169 per share for Q4 2022
- Fourth consecutive quarter with increased distribution, totalling USD 11.9 million for FY 2022
- Successfully listed on Oslo Børs' main market on 15 December
- Acquisition of Mid-size vessel Paglia, supporting increased earnings and dividend
- Q4 2022 revenue of USD 38.3 million and EBIT of USD 16.0 million
- Q4 2022 average TCE revenue: Panamax USD 26,590, Mid-size USD 25,900 and Distribution fleet USD 13,680
- Total revenue backlog of USD 856 million, up 52% from end of Q3 2022
- Well positioned in historically strong market with 10%/31%/34% open days in 2023/24/25
- Favourable market outlook with high charter rates and long contract durations

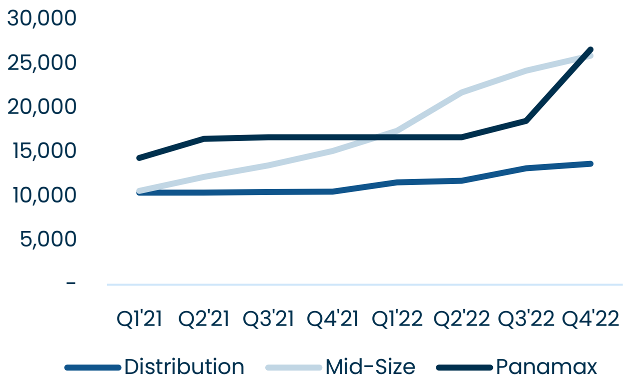
Georg A. Whist, CEO of Gram Car Carriers ASA:

"Our up-listing to Oslo Børs' main market in December was the culmination of a year where GCC made significant progress as a leading owner of modern car carriers, delivering safe, efficient operations and high-quality logistics services to our customers. We successfully captured a historically strong market, rechartering our fleet with long durations and reported successively increased quarterly profits and dividends in line with policy. Going into 2023, we are guided by our vision to be a leader in sustainable transport solutions to the global auto industry, supported by a strong foundation for continued growth and attractive shareholder distributions."

Dividend USD per share



TC rates USD/day



Average daily time charter equivalent (TCE) rates

Q4'22 (Q3'22)	**Distribution**	**Mid-size**	**Panamax**	**Fleet total**
Average TC rate	**USD 13,680** (USD 13,170)	**USD 25,900** (USD 24,200)	**USD 26,590** (USD 18,520)	**USD 22,720** (USD 19,960)
Utilisation	**97%** (100%)	**98%** (94%)	**94%** (100%)	**97%** (97%)
Planned/ unplanned off-hire days	**-/12 days** (-/1 days)	**-/19 days** (21/28 days)	**21/1 days** (-/- days)	**21/32 days** (21/29 days)

Review of operations

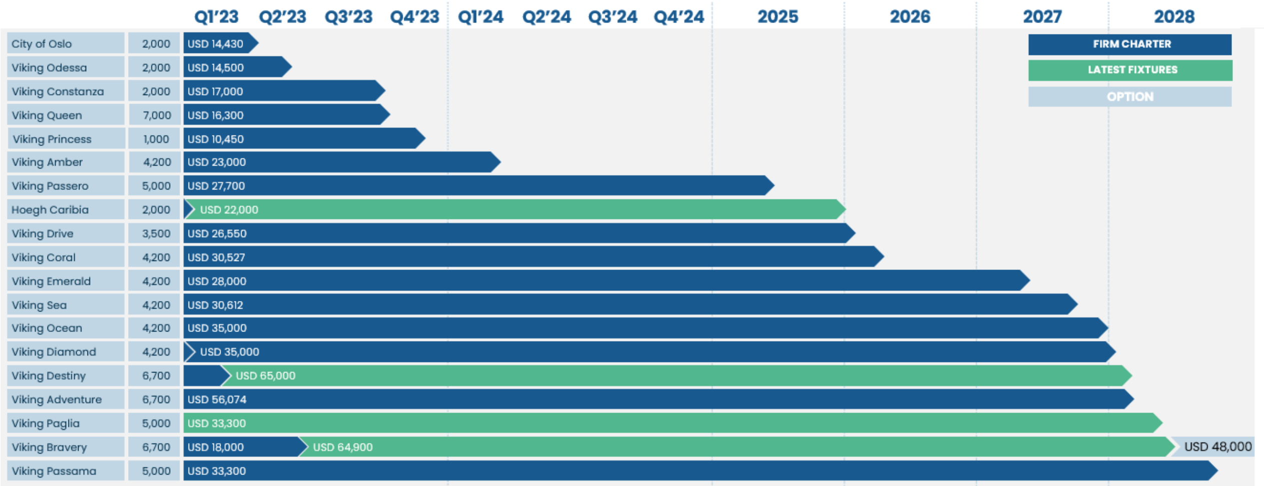
During the fourth quarter, the Distribution vessel Höegh Caribia had 12 days off-hire in connection with scheduled main engine overhaul. Viking Bravery went through her planned first special survey in China for 21 days as budgeted. The Mid-sized Viking Emerald completed insurance covered repairs for 19 days in October, where the loss of hire insurance neutralized impact the quarterly results.

The average fleet TCE was USD 22,720 in the fourth quarter, an increase from USD 19,960 in the third quarter of 2022. The higher TCE was a function of higher dayrates for all vessel types, Panamax at USD 26,590 (USD 18,520), the Mid-size fleet of USD 25,900 (USD 24,200) and the Distribution fleet at USD 13,680 (USD 13,170). Daily earnings from the fleet are set to increase further over the next quarters as vessels start on new contracts at higher dayrates.

Following the Russian invasion of Ukraine on February 24, 2022, the average time onboard for the majority of the Ukrainian crew in the GCC fleet increased substantially. Hence, the planned crew changes were postponed until fourth quarter 2022, leading to additional costs for the quarter in isolation. The full-year impact was limited.

Contract overview

GCC's revenue backlog amounted to USD 856 million at 31 December 2022, an increase from USD 563 million at the end of September. This includes USD 67 million of backlog from the Paglia acquisition in the quarter. To date in the first quarter of 2023, the Company has not announced any new contracts. Discussions are ongoing with potential charterers of the vessels coming open in second quarter 2023.



New fixtures since the end of the previous reporting period are shown in green

On 18 October, GCC signed a new five-year timecharter for the Panamax vessel Viking Destiny (6,700 CEU). The contract adds USD 118.6 million of future revenue to the contract backlog. The new timecharter is expected to commence in March 2023 in direct continuation to the vessel's current contract.

On 1 November, GCC signed a three-year timecharter contract for the Distribution vessel Höegh Caribia (2,000 CEU) as an extension to its current charter to Höegh Autoliners. The dayrate is USD 22,000 per day and the contract adds approximately USD 24 million of future revenue to the contract backlog. The new timecharter commenced in January 2023.

On 10 November, GCC signed a five-year timecharter contract with European operator for the Panamax vessel Viking Bravery (6,700 CEU). The average dayrate is USD 64,900 per day and the contract adds USD 118 million of future revenue to the contract backlog. The new timecharter will commence in July 2023.

Cash-flow break even

The Company estimates an average cash flow breakeven rate of USD 17,270 per day per vessel going forward. The increase from the USD 15,840 per day communicated in the third quarter report on 4 November 2022, reflects mainly higher interest rates and vessel operating expenses due to general cost inflation and the war in Ukraine. For 2023, GCC expects vessel operating expenses of around USD 6,000 per day for the Distribution vessels and USD 7,000 for the Mid-size and Panamax vessels before overhead and docking costs. The average daily cash breakeven rates are the daily TCE rates the GCC fleet must earn to cover operating expenses including principal payments and interest on loans, lease payments and general and administrative expenses.

Covid-19

The Covid-19 pandemic had limited impact on GCC's operations 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. On 31 December 2022, 100% of seafarers and onshore personnel have received their second dose of vaccine. All new on-signers are required to be vaccinated. GCC continues to monitor the Covid-19 situation and the pandemic's potential to affect marine operations and business activities.

Corporate and financing

On 15 December, Gram Car Carriers ASA successfully transferred its shares from Euronext Growth to the Oslo Børs main market, with its shares continuing to trade under the ticker "GCC". The transfer from a multilateral trading facility to a regulated exchange is expected widen the Company's investor base. The transfer was also in line with the ambitions communicated when GCC was admitted to trading on Euronext Growth Oslo on 31 January 2022.

On 29 November, GCC completed the acquisition of the Pure Car Truck Carrier Paglia (5,000 CEU) from F. Laeisz GmbH for a total consideration of USD 49 million, of which USD 39.2 million was settled in cash and USD 9.8 million settled through the issuance of 563,218 new GCC shares to the Seller at USD 17.4 per share. The consideration shares were issued under the board's authorisation to increase the share capital of GCC, granted by the annual general meeting on 12 May 2022. The transaction is accretive on earnings per share and is expected to facilitate increased dividend distributions. The Paglia was built in 2010 at the Zhejiang Yangfan shipyard in China. The vessel is currently on a timecharter contract until May 2028 at USD 33,300 per day, adding to GCC's revenue backlog.

Market update

Macro and auto trends

The development in global car sales has historically been correlated with economic activity and global GDP growth. The IMF's economic outlook, issued on 31 January 2023, forecasts a GDP growth of 2.9% in 2023, an increase of 0.2 percentage-points from the October 2022 update, but still representing an expected slowdown from approximately 3.4% growth in 2022. 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 and made only a minor adjustment to 85.7 million units at the end of December. This indicates a 4.7% increase in car sales in 2023 compared to 2022. LMC forecasts that global car sales will exceed pre-Covid levels from 2024.

Chinese auto exports in the fourth quarter totalled 1.1 million vehicles, with monthly exports exceeding 350,000 units towards year-end. The electric vehicle share was 29% in the quarter. This compares to Korean exports of 240,000 units and Japanese exports of 458,000 units in December.

December exports from China to the EU increased more than 213% year-on-year to around 59,000 vehicles. Chinese total exports increased by around 57% to approximately 3.25 million units in 2022. China is now the third largest vehicle exporter in the world, only behind Japan and the EU. Chinese exports of BEVs increased almost 90% to more than 945,000 units, according to Global Trade Tracker (GTT). The continuing Chinese export growth is positive for the car carrier market, as seaborne volumes are increasing.

The electrification of the global car fleet continues at a high pace. Approximately 50% of the global sales of electric vehicles are 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.

Supply disruptions are still impacting auto sales in major markets. AutoForecast Solutions reports that around 288,800 vehicles, have been removed from the planned production so far in 2023 (by end of week four), primarily due to production cuts in Japan and South Korea.

Despite the initial negative impact on short-sea traffic in Europe from the Russian invasion of Ukraine, the short sea car trades in Europe have gradually firmed up, due to increasing feeder requirements for cargo originating outside Europe, and the easing of supply disruptions for the European manufacturers.

The Covid-19 impact on vehicle production is now limited. Still, follow-on effects such as labour shortages in ports, as well as underinvestment in inland transportation infrastructure, have some negative impact on fleet efficiency.

Fleet development

There has for several years been a negative fleet growth in the PCTC market. The current market with significant under-capacity has led to an increase in orders for new car carriers. However, the majority of the current orderbook of 132 vessels will only have an impact on supply from 2025 onwards. Of the current PCTC fleet, 147 of the vessels are older than 20 years.

The global car carrier fleet amounted to 757 vessels at 31 December, according to Clarkson's. The global order book was 24% of the current capacity. This is up from the historical average of 17%. The delivery schedule of the current PCTC order book is still expected to be insufficient to meet the estimated demand, at least through 2025.

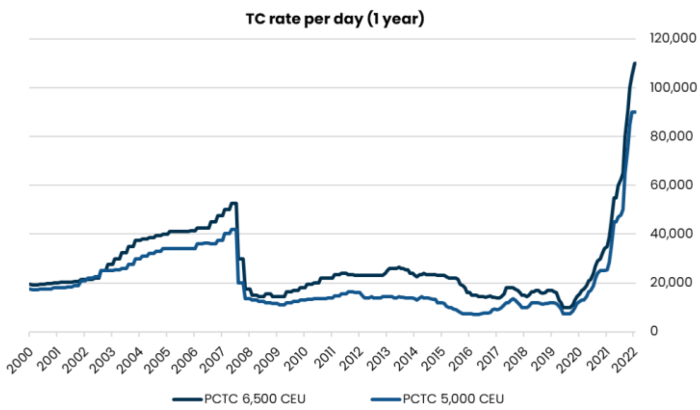
The global fleet controlled by PCTC tonnage providers amounted to 180 vessels at end of the fourth quarter, unchanged from the end of 2021. Currently there are an estimated 28 vessels controlled by tonnage providers open for contract renewal in 2023. This compares to 65 vessels fixed during the entire 2022.

Time charter rates

Strong demand combined with limited vessel supply continues to cause significant increases in TC rates.

12-month TCE contract rates in January for Panamax vessels were estimated at USD 110,000 per day, up from USD 35,000 in January 2022 according to data from Clarkson. 12-month TCE rates for Mid-size vessel are up from USD 25,500 to USD 90,000 per day.

USD/day



The Company estimates the current 12-month TCE for Distribution vessels at USD 25,000 per day, also significantly up from USD 15,000 in January 2022.

Financial review

Key figures

In USD thousands	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
Operating revenue	38,250	31,451	27,740	23,534	120,976
EBITDA	22,953	18,788	16,165	12,691	70,596
EBIT	16,039	11,887	9,295	5,906	43,126
Profit/ (loss) for the period	9,928	6,521	5,348	2,081	23,877
Cash flow from operating activities	35,577	15,923	19,162	8,955	79,617

In USD thousands	31 Dec 2022	30 Sep 2022	30 Jun 2022	30 Mar 2022	31 Dec 2022
Cash and cash equivalents	30,287	33,126	26,496	22,948	30,287
Interest-bearing debt	339,470	325,686	325,987	333,005	339,470
Equity ratio	40%	40%	40%	39%	40%

Financial performance

Fourth quarter 2022 operating revenue of USD 38.3 million reflected improved average time charter rates across all segments compared to the prior quarter, with Distribution vessels up from USD 13,170 in third quarter to USD 13,680 in fourth quarter, the Mid-size vessels were up from USD 24,200 to USD 25,900 and the Panamax vessels up from USD 18,520 to USD 26,590.

Vessel operating expenses amounted to USD 12.0 million. Administrative expenses were USD 3.3 million and included non-cash expenses of USD 0.8 million relating to long-term employee incentive programs and USD 0.4 million in non-recurring expenses relating to the transfer from Euronext Growth to the Oslo Børs main market.

EBITDA was USD 23.0 million, an increase from USD 18.8 million in the third quarter of 2022, and EBIT amounted to USD 16.0 million (USD 11.9 million). Net financial expenses of USD 6.1 million reflected mainly interest expense on vessel loans and leases. The increase in financial expense is due to increased interest rates. Net income for the quarter was USD 9.9 million, equal to earnings of USD 0.34 per share.

Financial position

On 31 December 2022, GCC had a cash position of USD 30.3 million and in addition USD 15 million in available undrawn credit lines. Interest-bearing debt, including lease liabilities amounted to USD 339.5 million. Total assets and book equity were USD 609.7 million and USD 243.4 million respectively, equivalent to a book equity ratio of 40%.

Cash flow

Cash flow from operating activities was USD 35.6 million. The difference from EBITDA in the quarter was due to a net increase in working capital and deferred income. Cash used in investing activities of USD 42.2 million reflected mainly the acquisition of Viking Paglia and expenditure relating to drydocking. Cash flow from financing activities was positive with USD 3.8 million and comprises proceeds from the Viking Paglia financing, interest payments and scheduled repayment instalments under the Group's debt facilities and leases, a USD 15 million down payment on the revolving credit facility and the quarterly dividend paid to shareholders in November. Net change in cash and cash equivalents was negative with USD 2.8 million for the quarter.

As previously reported, the extensions for Viking Adventure and Viking Coral were done at USD 60,000 and USD 35,000 per day, respectively, both being extensions of existing contracts. In connection with the extensions GCC and the counterpart had agreed to an up-front lump sum payment of around USD 8.4 million due in fourth quarter of 2022 and to average out the TC rates for the combined remaining duration of existing charters and extension period. The lump sum payment has been recognised as deferred income and will be amortised over the remaining duration of the charters. The adjusted charter rates, which are recognised in the income statement from mid-September 2022 until the end of the charters (including the amortisation of deferred revenue), will be USD 56,100 and USD 30,530 for Viking Adventure and Viking Coral, respectively.

GCC also has charterparties with staggered payment structures, where charterers pay a higher dayrate in the beginning and lower dayrate towards the end of the charter period. Vessels which such arrangements include Viking Diamond, Viking Ocean, Viking Drive and Viking Bravery and it is the average rate that is recognised as revenue in the statement of income over the contract period. The staggered rate structure will imply a stronger cash flow initially and this will be reflected in an increase in deferred income in the statement of financial position.

Dividend

The Board of Directors has proposed a cash dividend of USD 0.169 per share for the fourth 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 2 March 2023. In November, GCC paid a dividend of USD 0.110 per share for the third quarter of 2022.

This will be the fourth consecutive quarterly distribution by the Company to shareholders in line with dividend policy, amounting to a total of USD 0.408 per share for the full year. The quarterly payment has sequentially increased each quarter in line with increased earnings, reflecting the renewal of the contract portfolio in a historically strong car shipping market in line with GCC's strategy. The Board of Directors will evaluate the dividend policy ahead of the AGM in May 2023.

Outlook

As the world's third-largest tonnage provider within the PCTCs segment, GCC is well positioned, capturing a historically strong market with long-term favourable supply demand dynamics. This is reflected in new charter agreements with dayrates setting new industry standards combined with longer durations and a record revenue backlog. Following the most recent contract awards, the Company has 10% and 31% open days in 2023 and 2024, respectively, and additional vessels coming up for contract renewals in coming months. The Company expects to sign further contracts at high dayrates to support future earnings growth and direct shareholder returns through attractive dividends.

Oslo, 8 February 2023

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 – 31 December 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	Q4 2022	Q4 2021	2022	2021 (audited)
Operating revenue	6	38,250	22,061	120,976	78,029
Vessel operating expenses		(11,961)	(8,491)	(41,385)	(34,479)
Administrative expenses		(3,337)	(5,168)	(8,995)	(8,162)
EBITDA		**22,953**	**8,402**	**70,596**	**35,388**
Depreciation	7/8	(6,914)	(6,119)	(27,470)	(24,792)
Operating result (EBIT)		**16,039**	**2,283**	**43,126**	**10,596**
Financial income		693	20	1,113	339
Financial expenses		(6,805)	(5,296)	(20,362)	(18,402)
Profit/ (loss) before tax (EBT)		**9,928**	**(2,993)**	**23,877**	**(7,466)**
Income tax expense		-	(3)	-	(6)
Profit/ (loss) for the period		**9,928**	**(2,996)**	**23,877**	**(7,472)**
Attributable to:					
Equity holders of the parent company		9,928	(755)	23,877	(7,935)
Non-controlling interests		-	(2,241)	-	463
		9,928	(2,996)	23,877	(7,472)
Earnings per share (USD):					
Basic earnings per share		0.34	-	0.83	(0.03)
Diluted earnings per share		0.34	-	0.83	(0.03)

Consolidated statement of comprehensive income (unaudited)

In USD thousands	Notes	Q4 2022	Q4 2021	2022	2021 (audited)
Profit/ (loss) for the period		9,928	(2,996)	23,877	(7,472)
Exchange differences on translation of foreign operations		(1)	80	(23)	43
Total comprehensive income		**9,927**	**(2,916)**	**23,854**	**(7,429)**
Attributable to:					
Equity holders of the parent company		9,927	(675)	23,854	(7,892)
Non-controlling interests		-	(2,241)	-	463

Consolidated statement of financial position (unaudited)

In USD thousands	Notes	31 Dec 2022	31 Dec 2021 (audited)	01 Jan 2021 (IFRS)[1]
Assets		**609,741**	**494,683**	**550,827**
Non-current assets		568,858	474,635	492,679
Vessels and other tangible assets	7	568,211	410,605	425,546
Right-of-use assets	8	141	62,871	65,974
Other non-current assets		506	1,159	1,159
Current assets		40,883	20,049	58,147
Assets held for sale	14	-	-	42,669
Fuel and lubrication oil		2,088	1,738	2,633
Trade and other receivables		4,498	1,839	658
Cash and cash equivalents		30,287	15,960	11,571
Other current assets		4,010	512	617
Equity and liabilities		**609,741**	**494,683**	**550,827**
Equity	12	243,481	79,239	86,667
Non-current liabilities		297,045	121,397	399,803
Interest-bearing debt - non-current	9	297,045	63,437	327,970
Lease liabilities - non-current		-	30,477	46,712
Derivative financial instruments		-	-	163
Redeemable convertible loans		-	27,483	24,958
Current liabilities		69,215	294,048	64,357
Interest-bearing debt – current	9	42,271	263,323	4,413
Lease liabilities - current	10	154	16,902	48,439
Trade and other payables		10,593	10,596	9,700
Derivative financial instruments		-	98	-
Deferred income		16,197	3,129	1,238
Other current liabilities		-	-	567

[1] Reference is made to note 14 - First-time adoption of IFRS

Oslo, 8 February 2023
Board of Directors and Chief Executive Officer, Gram Car Carriers ASA

Ivar Hansson Myklebust
Chair

Hans Nikolaus Schües
Deputy Chair

Alasdair James Dougall Locke

Christine Rødsæther

Nils Kristoffer Gram

Gaby Bornheim

Clivia Catharina Breuel

Georg Alexander Whist
Chief Executive Officer

Consolidated statement of changes in equity (unaudited)

In USD thousands	Notes	Share capital	Share premium	Retained earnings/ (acc. losses)	Other equity	Share-based payments reserve	Non-controlling interests	Total
Equity at 1 January 2022		230,791	-	(166,695)	964	-	14,178	79,239
Conversion of convertible loans Old Group shareholders	4	27,669	-	-	-	-	-	27,669
Conversion of redeemable preference shares	4	1,042	-	-	(1,042)	-	-	-
Capital increase - private placement (cash)	4	3,623	62,259	-	-	-	-	65,882
Capital increase - private placement (contribution in kind)	4	2,736	47,010	-	-	-	-	49,746
Capital increase – contribution in kind (Old Group equity holders and non-controlling interests)	4	(256,204)	61,190	-	209,192	-	(14,178)	-
Capital increase – vessel acquisition (contribution in kind)		166	9,634	-	-	-	-	9,800
Transaction costs		-	-	-	(7,060)	-	-	(7,060)
Estimated effect of liquidation Old Group		-	-	-	491	-	-	491
Share-based payments		-	-	-	-	902	-	902
Total comprehensive income for the period		-	-	23,877	(23)	-	-	23,854
Dividend paid		-	(7,042)	-	-	-	-	(7,042)
Equity at 31 December 2022		**9,822**	**173,051**	**(142,818)**	**202,522**	**902**	**-**	**243,481**
Equity at 31 December 2020		230,791	-	(158,759)	921	-	13,715	86,667
First-time adoption of IFRS adj.		-	-	-	-	-	-	-
Equity at 1 January 2021		230,791	-	(158,759)	921	-	13,715	86,667
Total comprehensive income for the period		-	-	(7,935)	43	-	463	(7,429)
Equity at 31 December 2021		**230,791**	**-**	**(166,695)**	**964**	**-**	**14,178**	**79,239**

Consolidated statement of cash flows (unaudited)

In USD thousands	Note	Q4 2022	Q4 2021	2022	2021 (audited)
Profit/ (loss) for the period		9,928	(2,993)	23,877	(7,466)
Financial (income)/ expenses		6,428	5,135	19,633	17,836
Depreciation	7/8	6,914	6,117	27,470	24,792
Share-based expenses		634	-	902	-
Income tax expense		-	2	-	(25)
Cash flow from operating activities before changes in working capital		23,904	8,261	71,882	35,137
Changes in working capital:					
Trade and other receivables		(1,294)	(1,178)	(2,659)	(1,181)
Fuel and lubrication oil		(180)	112	(350)	895
Other current assets		(2,229)	215	(2,987)	105
Other non-current assets		-	-	-	-
Trade and other payables		4,454	4,094	663	1,489
Deferred income		10,922	1,198	13,068	1,891
Cash flow from operating activities		**35,577**	**12,702**	**79,617**	**38,335**
Investment in vessels and other tangible fixed assets		(41,992)	(1,961)	(113,373)	(7,064)
Investment in right-of-use assets		-	-	(1,080)	-
Proceeds from sale of tangible fixed assets		-	-	-	42,669
Investment in affiliated company		(176)	-	(347)	-
Cash flow from investing activities		**(42,168)**	**(1,961)**	**(114,800)**	**35,605**
Dividend paid		(3,380)	-	(7,042)	-
Proceeds from issue of shares		-	-	108,568	-
Proceeds from issue of debt		39,308	-	311,164	-
Proceeds from sale-lease-back financing		-	-	70,000	-
Repayment of debt		(24,246)	(5,186)	(413,901)	(7,393)
Repayment of lease liability		(98)	(1,134)	(441)	(48,140)
Interest paid on interest-bearing debt		(7,759)	(2,907)	(18,760)	(11,157)
Interest paid on lease liabilities		(4)	(931)	(27)	(2,904)
Other financial items		(69)	77	(51)	43
Cash flow from financing activities		**3,752**	**(10,081)**	**49,510**	**(69,551)**
Net change in cash and cash equivalents		(2,839)	660	14,327	4,389
Cash and cash equivalents at beginning of period		33,126	15,300	15,960	11,571
Cash and cash equivalents at end of period		**30,287**	**15,960**	**30,287**	**15,960**

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 ('PCTC') shipping segment.

The shares of the Company are listed on Oslo Børs under the ticker 'GCC'.

The consolidated financial statements for the Group are presented as a continuation of Gram Car Carriers Holdings Pte. Ltd. and its subsidiaries (Old Group). Details on these assessments and restructuring of the Old Group are include in note 4.

For all periods up to and including the year ended 31 December 2021, the Group prepared its financial statements in accordance with Singapore FRS. These financial statements for the period ended 31 December 2022 are the first the Group has prepared in accordance with IFRS. Reference is made to note 14 for information on how the Group adopted IFRS.

As per 31 December 2022 the Group operates 19 PCTC vessels, of which 17 are owned vessels and 2 are leased vessels.

Note 2 – Basis for preparation

The interim consolidated financial statements for the period 1 January 2022 – 31 December 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. These are the first financial statements prepared in accordance with IFRS, and IFRS 1 First-time adoption of IFRS has been applied. Reference is made to note 14 for the effects of the transition to IFRS. The date of transition was 1 January 2021.

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.

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 interim 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. There are some amendments to the standards effective from 1 January 2022. None of these have had any effect on the 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. At the date of the approval of these FS, the group has not identified significant impact to the groups FS as a result of new standards or amendments effective 2023 or later.

Note 3 – Significant accounting policies

Consolidation
The interim consolidated financial statements comprise of the financial statements of Gram Car Carriers ASA and its subsidiaries as at 31 December 2022. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated. Subsidiaries are all companies where the Group has a controlling interest. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which 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.

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.

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 which is normally five years. 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

<u>Group as lessee (right-of-use assets)</u>
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.

Assets held for sale
Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Fuel and lubrication oil
The Group values its inventories, which comprise of lubrication oil and fuel on board the vessels, at the lower of cost and net realisable value. They are accounted for on a weighted average cost 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.

Redeemable convertible loans are classified as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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.

Share-based employee incentive programs
Incentive programs involving transactions which meets the definition of an equity settled share-based payment transaction are calculated at fair value at the time they are granted and charged to personnel expenses over the vesting period with a corresponding increase in equity. Fair value is estimated using the Black-Scholes option pricing model for each tranche with share price, strike, duration, expected volatility and risk-free interest as the input parameters in the model. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. Social security is provided for based on the fair value at each reporting date.

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 interim 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 the accounting for the restructuring (and apart from those involving estimations, which are disclosed below).

Accounting for the restructuring

Background
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.

Judgement
Management has used their judgement to assess how the restructuring and linked transactions as referred to above should be treated for accounting purposes, and if this qualifies as a business combination in the scope of IFRS 3. Management's assessment is that the series of linked transactions carried out in connection with the restructuring of the Group is for accounting purposes not considered to be a business combination but a restructuring and refinancing of the Group, together with an issue of new shares (capital increase) and that the carrying values of assets and liabilities in the Group shall be carried on forward (continuity).

Carrying values in the Group's financial statements are on a going concern basis (continuity), whereas the Old Group's 2021 financial statements have been prepared on a basis other than that of a going concern as the sale of its assets are deemed to be a realisation and the Old Group will commence liquidation proceedings subsequently to the sale of all its assets to the Group. Consequently, the carrying values of assets in the Old Group had been impaired to net realisable value and classified as assets held for sale as at 31 December 2021. In order for carrying values of assets to be on a going concern basis, relevant adjustments have been made in the Groups financial statements' comparable numbers for 2021. Reference is made to note 13.

Sale-and-lease-back transaction

Background

In January 2022, the Group completed a refinancing for the two PCTC vessels Viking Adventure and Viking Bravery, whereby the Group entered into a sale-and-lease back transaction. In order for the transaction to be accounted for in accordance with IFRS 16 Leases, the transaction must constitute a sale.

Judgement

Management has used their judgement to assess whether the transaction constitutes a sale and concluded that control of the two vessels and all material risks and rewards of ownership remain with the Group following the transaction and based on this the two vessels will continue to be recognised as Vessels and other tangible assets. The liability is accounted for as a financial liability in accordance with IFRS 9 Financial instruments and recognised under Interest-bearing debt.

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. Useful lives may change due to technological developments, market conditions and changes in regulations. The Group is committed to recycling its vessels in compliance with the Hong Kong convention and Norwegian Shipowners Association guidelines. In the assessment of residual value there is a considerable degree of uncertainty in estimating prevailing market prices for green recycling. Any changes in estimated useful lives and/or residual values impact the depreciation of the vessels prospectively.

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.

The top three customers of the Group represent 14.7%, 14.3% and 9.2% of the Group's total time charter revenue during the 12 months' period ended 31 December 2022 (2021: 28.4%, 11.9% and 8.4%). No other customers represent more than 10% of total time charter revenue.

Charter parties entered into with customers are typically for global operation of the vessels. Time charter revenue originate from customers geographically located as follows:

In USD thousands	Q4 2022	Q42021	2022	2021 (audited)
Asia	26,286	14,433	81,656	51,129
Europe	6,565	4,780	26,874	21,128
Other	4,565	1,107	11,951	4,453
Total time charter revenue	**37,416**	**20,320**	**120,481**	**76,710**

Note 6 – Operating revenue

In USD thousands	Q4 2022	Q4 2021	2022	2021 (audited)
Time charter revenue	37,416	20,320	120,481	76,710
Time charter hire commissions	(772)	(308)	(2,271)	(1,055)
Management fees and time charter hire commissions	906	119	1,336	444
Other income	700	1,930	1,430	1,930
Total operating revenue	**38,250**	**22,061**	**120,976**	**78,029**

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 31 December 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	171,343	-	171,343
Additions – Drydocking	6,972	-	6,972
Additions – Technical upgrade	4,560	-	4,560
Additions	-	12	12
Disposals of vessels	(10,812)	-	(10,812)
Acquisition cost 31 December 2022	857,279	39	857,318
Acc. depreciation at 1 January 2022	(211,934)	(6)	(211,941)
Acc. impairment at 1 January 2022	(62,695)	-	(62,695)
Depreciation for the period	(25,273)	(9)	(25,282)
Disposals	10,812	-	10,812
Acc. depreciation and impairment at 31 December 2022	(289,092)	(15)	(289,107)
Carrying amount at 31 December 2022	**568,187**	**24**	**568,211**
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 at 1 January 2021	(190,766)	(5)	(190,771)
Acc. impairment at 1 January 2021	(62,695)	-	(62,695)
Depreciation for the period	(21,169)	(2)	(21,171)
Disposals	-	-	-
Acc. depreciation and impairment at 31 December 2021	(274,630)	(6)	(274,636)
Carrying amount at 31 December 2021	**410,584**	**20**	**410,605**

As at 31 December 2022, the Group operated 19 PCTC vessels.

In January 2022, the Group acquired the two PCTC vessels Passama and Passero (later renamed Viking Passama and Viking Passero) 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 under the lease agreement and entered into a USD 15 million senior secured credit facility agreement to finance this vessel and also the PCTC vessel Viking Princess. The Viking Drive has hence been reclassified from Right-of-use assets to Vessels and other tangible assets during the 12 months period ending 31 December 2022.

In August 2022 the Group completed a refinancing of a lease for the PCTC vessel Viking Destiny, whereby the Group exercised a purchase option under the lease agreement and entered into a USD 40 million accordion term loan under the existing 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 during the nine months period ending 31 December 2022.

In November 2022 the Group acquired the PCTC vessel Paglia (later renamed Viking Paglia) for a total consideration of USD 49 million with partial payment in cash and newly issued shares.

Vessels include dry-docking and technical upgrades. The carrying amount for dry-docking was USD 13,177,000 at 31 December 2022 (31 December 2021: USD 7,892,000).

Vessels with carrying value of USD 568,187,000 at 31 December 2022 have been pledged to secure the various credit facilities (31 December 2021: USD 410,585,000), ref note 9.

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 31 December 2022 no such indicators have been identified.

Given that the valuation in connection with the private placement carried out in January 2022 (ref note 1 and 13) was below the book equity as at 31 December 2021, management has performed impairment tests of all vessels in the Group as at 31 December 2021. This assessment did not lead to any impairment charges as the recoverable amounts are higher than the carrying amounts for all vessels. The assessment is based on discounted cashflow analysis to assess the values of all vessels based on value in use. Main assumptions include weighted average cost of capital (WACC) of 7.0%, historical average time charter hire rates and utilisation, an estimated steel scrap price of USD 300/ldwt net of scrapping costs and 2% annual cost inflation and growth in time charter hire.

Based on the value in use calculations, an increase in discount rate by 200 basis points would result in a decrease of Vessels and other tangible assets value in use by USD 80 million. A change in charter rate by 10% would impact Vessels and other tangible assets value in use by USD 85 million. Neither of these changes would lead to any impairment.

Note 8 – Right-of-use assets

Details of the Group's right-of-use assets at 31 December 2022 are as follows:

In USD thousands	Vessels	Office premises	Total
Acquisition cost at 1 January 2022	77,113	1,537	78,650
Additions – Drydocking	948	-	948
Additions – Technical upgrade	22	-	22
Additions – Transaction costs	107	-	107
Additions – Office premises	-	2	2
Disposal – Right-of-right-of-use assets	(78,191)	(244)	(78,435)
Acquisition cost 30 December 2022	-	1,294	1,294
Acc. depreciation and impairment 1 January 2022	(14,743)	(1,036)	(15,779)
Depreciation for the period	(1,846)	(341)	(2,188)
Disposals	16,589	223	16,813
Acc. depreciation and impairment at 31 December 2022	-	(1,153)	(1,153)
Carrying amount at 31 December 2022	**-**	**141**	**141**
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)
Carrying amount at 31 December 2021	**62,370**	**501**	**62,871**

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 under the lease agreement and entered into a USD 15 million senior secured credit facility agreement to finance this vessel and also the PCTC vessel Viking Princess. The Viking Drive has hence been reclassified from Right-of-use assets to Vessels and other tangible assets during the 12 months period ending 31 December 2022.

In August 2022 the Group completed a refinancing of a lease for the PCTC vessel Viking Destiny, whereby the Group exercised a purchase option under the lease agreement and entered into a USD 40 million accordion term loan under the existing 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 during the 12 months period ending 31 December 2022.

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 31 December 2022 no such indicators have been identified.

Given that the valuation in connection with the private placement carried out in January 2022 (ref note 1 and 12) was below the book equity as at 31 December 2021, management has performed impairment tests of all vessels in the Group as at 31 December 2021. This assessment did not lead to any impairment charges as the recoverable amounts are higher than the carrying amounts for all vessels. The assessment is based on discounted cashflow analysis to assess the values of all vessels based on value in use. Main assumptions include weighted average cost of capital (WACC) of 7.0%, historical average time charter hire rates and utilisation, an estimated steel scrap price of USD 300/ldwt net of scrapping costs and 2% annual cost inflation and growth in time charter hire.

Based on the value in use calculations, an increase in discount rate by 200 basis points would result in a decrease of Right-of-assets value in use by USD 50 million. A change in charter rate by 10% would impact Right-of-assets value in use by USD 37 million. Neither of these changes would lead to any impairment.

Note 9 – Interest-bearing debt

Details of the Group's interest-bearing debt at 31 December 2022 are as follows:

USD thousands	Currency	Facility amount	Margin	Maturity	Out-standing
USD 302 million senior secured credit facility	USD	262,000	LIBOR +2.95%	Jan 2027	228,183
USD 302 million senior secured credit facility (Viking Paglia)	USD	40,000	SOFR +2.40%	Jan 2027	40,000
USD 15 million senior secured credit facility	USD	15,000	LIBOR+ 4.70%	Apr 2025	12,500
Lease (Viking Adventure/Viking Bravery)	USD	70,000	LIBOR +4.00%	Jan 2030	64,960
					345,643
Amortised debt issuance costs					(6,327)
Total interest-bearing debt at 31 December 2022					**339,316**

In January 2022, the Group entered into a USD 222 million senior secured credit facility agreement for the refinancing of 11 PCTC vessels and acquisition of the two vessels Passama and Passero (later renamed Viking Passama and Viking Passero), ref note 4.

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

In August 2022 the Group completed a refinancing of a lease for the PCTC vessel Viking Destiny, whereby the Group exercised a purchase option under the lease agreement and entered into a USD 40 million accordion term loan under the existing senior secured credit facility agreement to finance the vessel. The purchase price for the vessel comprises the lease liability then outstanding at USD 27,517,000. The vessel has been reclassified from Right-of-use assets to Vessels and other tangible assets.

In November 2022 the Group acquired the PCTC vessel Paglia (later renamed Viking Paglia) for a total consideration of USD 49,000,000 with partial payment of USD 39.2 million in cash and issuance of 563,218 newly issued shares. The Group entered into a USD 40 million accordion term loan under the existing senior secured credit facility agreement to finance the vessel.

The USD 302 million senior secured credit facility include revolving credit facilities of USD 60 million. As at 31 December 2022 USD 15 million of the revolving credit facility was undrawn.

As per 31 December 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 (125% for Viking Adventure and Viking Bravery).

Details of the Group's contractual maturities of interest-bearing debt on a non-discounted basis as at 31 December 2022 are as follows:

USD thousands	Due within 12 months	12-24 months	24-36 months	36-48 months	Due after 31 Dec 2026
Interest-bearing debt	42,271	42,131	41,859	39,715	179,667

Note 10 – Lease liabilities

Lease liabilities amounting to USD 154,000 comprise of lease liabilities relating to the office premises in Oslo and Singapore, all of which are current and due within 12 months.

Note 11 – Transactions with related parties

In 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 4.

In November 2022 the Group acquired the PCTC vessel Paglia (later renamed Viking Paglia) from MS "Paglia" GmbH & Co. KG, an entity controlled by the vice chair of the Board, Nikolaus H. Schües and family. The total consideration for the vessel was USD 49 million of which USD 39.2 million was settled in cash using the proceeds from new debt and USD 9.8 million settled through the issuance of 563,218 shares.

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
Share capital increase 28 November 2022	563,218	166
31 December 2022	**29,285,022**	**9,822**
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	-
31 December 2021	**10,000,000**	**125**

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.

On 28 November 2022, the Company issued 563,218 shares as partial payment in connection with the acquisition of the PCTC vessel Paglia (later renamed Viking Paglia).

At 31 December 2022 the share capital of the Company consists of 29,285,022 shares with par value per share of NOK 2.9147. All issued shares are of equal rights and are fully paid up.

Note 13 – Adjustments relating to comparative period figures for the year ended 31 December 2021

As described in note 4 Gram Car Carriers ASA and its subsidiaries have acquired all the activities of Gram Car Carriers Holdings Pte. Ltd. and its subsidiaries (the "Old Group"). Carrying values in the Group's financial statements are on a going concern basis (continuity), whereas Old Group 2021 financial statements are prepared on a basis other than that of a going concern as the sale of its assets is deemed to be a realisation and the Old Group will commence liquidation proceedings subsequently to the sale of all its assets to the Group. Consequently, the carrying values of assets in the Old Group had been impaired to net realisable value and classified as assets held for sale as at 31 December 2021. Net realisable value represents the deemed value of the assets implied from the pricing of the private placement carried out by the Group in January 2022. In order for carrying values of assets to be on a going concern basis relevant adjustments have been made in the Group's financial statements comparable numbers for 2021. This note explains the principal adjustments made by the Group in adjusting its Singapore FRS financial statements, including the statement of financial position as of 31 December 2021 and the income statement for the year ended 31 December 2021 on the basis of going concern.

Consolidated statement of income

In USD thousands	Old Group 2021[1]	Going concern adj	2021[1]
Operating revenue	78,029	-	78,029
Vessel operating expenses	(34,479)	-	(34,479)
Administrative expenses	(8,162)	-	(8,162)
EBITDA	**35,388**	**-**	**35,388**
Depreciation	(24,792)	-	(24,792)
Impairment	(40,875)	40,875	-
Operating result (EBIT)	**(30,279)**	40,875	**10,596**
Financial income	339	-	339
Financial expenses	(18,402)	-	(18,402)
Profit/ (loss) before tax (EBT)	**(48,341)**	**40,875**	**(7,466)**
Income tax expense	(6)	-	(6)
Profit/ (loss) for the period	**(48,346)**	**40,875**	**(7,472)**
Attributable to:			
Equity holders of the parent company	(44,106)		(7,935)
Non-controlling interests	(4,240)		463
	(48,346)		(7,472)

[1] Prepared in accordance with Singapore Financial Reporting Standards (Singapore FRS), reference is made to Note 14 - First-time adoption of IFRS.

Consolidated statement of financial position

In USD thousands	Notes	Old Group 31 Dec 2021[1]	Going concern adj	Reclas-sification	31 Dec 2021[1]
Assets		**454,496**	**40,875**	**(686)**	**494,683**
Non-current assets		678	473,957	-	474,635
Vessels and other tangible assets/ Property, plant and equipment	A	18	410,587	-	410,605
Right-of-use assets	A	501	62,370	-	62,871
Other non-current assets/ Other investment	C	159	1,000	-	1,159
Current assets		453,818	(433,082)	(686)	20,049
Assets held for sale	A	432,082	(432,082)	-	-
Fuel and lubrication oil/ Inventories		1,738	-	-	1,738
Trade and other receivables	C	3,525	(1,000)	(686)	1,839
Cash and cash equivalents		15,960	-	-	15,960
Prepayments		512	-	-	512
Equity and liabilities		**454,496**	**40,875**	**(686)**	**494,683**
Equity	A	38,739	40,875	(375)	79,239
Non-current liabilities		44	121,353	-	121,397
Interest-bearing debt - non-current	B	-	63,437	-	63,437
Lease liabilities - non-current	B	44	30,433	-	30,477
Redeemable convertible loans	D	-	27,483	-	27,483
Current liabilities		415,713	(121,353)	(311)	294,048
Liabilities directly associated with assets classified as held for sale	A/B	374,588	(374,588)	-	-
Interest-bearing debt – current	B	-	263,323	-	263,323
Lease liabilities - current	B	551	16,351	-	16,902
Redeemable convertible loans	D	22,502	(22,502)	-	-
Trade and other payables	B/D	14,845	(3,937)	(311)	10,596
Derivative financial instruments		98	-	-	98
Deferred income		3,129	-	-	3,129

[1] Prepared in accordance with Singapore Financial Reporting Standards (Singapore FRS), reference is made to Note 14 - First-time adoption of IFRS.

Reclassification of Vessels and other tangible assets and Right-of-use assets and reversal of impairment (Note A)

During January 2022 Old Group had sold 13 PCTC vessels and novated 3 leases under which the Old Group had the right of use of 3 PCTC vessels. At 31 December 2021 these vessels and right-of-use assets had been impaired to net realisable value and reclassified from Vessels and other tangible assets and Right-of-use assets to Assets held for sale in Old Group's 2021 financial statements. Net realisable value represents the deemed value of the assets implied from the pricing of the private placement carried out by the Group in January 2022. Adjustments have been made to reverse an impairment charge amounting to USD 40,875,000 against equity and also to reverse the reclassification to Assets held for sale. Total adjustment to Vessels and other tangible assets amount to USD 410,587,000. Total adjustment to Right-of-use assets amount to USD 62,370,000.

USD 375,000 represent adjustments related to liquidation of Old Group.

Reclassification of Liabilities directly associated with assets classified as held for sale (Note B)
Liabilities directly associated with assets classified as held for sale (ref paragraph above – Note A) have been reclassified with USD 63,437,000 to Interest-bearing debt – non-current and USD 263,323,000 to Interest-bearing debt – current and USD 30,433,000 to Lease liabilities – non-current and USD 16,351,000 to Lease liabilities – current. USD 1,044,000 of accrued interest on one of the interest-bearing debt have been reclassified from *Trade and other payables* to liabilities directly associated with assets classified as held for sale.

Reclassification of Trade and other receivables (Note C)
USD 1,000,000 of *Trade and other receivables* have been reclassified to Other non-current assets. This amount comprises a seller's credit extended to the lessor under one of the leases that had been novated (ref paragraph above – Note A).

Reclassification of Redeemable convertible loans and Trade and other payables (Note D)
Redeemable convertible loans amounting to USD 22,502,000 have been reclassified from current to non-current liabilities. USD 4,981,000 of accrued interest on redeemable convertible loans have been reclassified from *Trade and other payables* to Redeemable convertible loans (non-current).

Note 14 – First-time adoption of IFRS

The interim consolidated financial statements for the period 1 January 2022 – 30 December 2022 are the first financial statements the Group has prepared in accordance with IFRS. Comparable figures for periods up to and including the year ended 31 December 2021 (ref note 1 and 2) were prepared in accordance with Singapore Financial Reporting Standards ('Singapore FRS').

Accordingly, the Group has prepared financial statements that comply with IFRS, applicable as of 30 December 2022, together with the comparative period figures for the year ended 31 December 2021. In preparing the financial statements, the Group's opening statement of financial position was prepared as of 1 January 2021, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Singapore FRS financial statements, including the statement of financial position as of 1 January 2021 and the income statement for the year ended 31 December 2021.

The broad policy intention of the Accounting Standards Council (Singapore) is to adopt the International Financial Reporting Standards issued by IASB. There are no adjustments made in restating the financial statements as described above. Adjustment made for the going concern assumption are addressed in note 13.

Statement of financial position at 1 January 2021

In USD thousands	Singapore FRS	Adjustments	IFRS
Assets	**550,827**	**-**	**550,827**
Non-current assets	492,679	-	492,679
Vessels and other tangible assets/ Property, plant and equipment	425,546	-	425,546
Right-of-use assets	65,974	-	65,974
Other non-current assets/ Other investment	1,159	-	1,159
Current assets	58,147	-	58,147
Assets classified as held for sale (Note A)	42,669	-	42,669
Fuel and lubrication oil/ Inventories	2,633	-	2,633
Trade and other receivables	658	-	658
Cash and cash equivalents	11,571	-	11,571
Other current assets/ Prepayments	617	-	617
Equity and liabilities	**550,827**	**-**	**550,827**
Equity	86,667	-	86,667
Non-current liabilities	399,639	-	399,639
Interest-bearing debt - non-current	327,970	-	327,970
Lease liabilities - non-current	46,712	-	46,712
Redeemable convertible loans	24,958	-	24,958
Current liabilities	64,520	-	64,520
Interest-bearing debt – current	4,413	-	4,413
Lease liabilities - current	48,439	-	48,439
Trade and other payables	9,700	-	9,700
Derivative financial instruments	163	-	163
Deferred income	1,238	-	1,238
Other current liabilities	567	-	567

Assets classified as held for sale (Note A)

Assets held for sale as at 1 January 2021 relates to a right-of-use asset where the Group and the lessor had agreed to dispose the vessel and hence it had been classified under Assets held for sale. The Group entered into a termination and sale agreement with the lessor In April 2021. The unwinding of the lease structure included the termination of a bareboat charter party between a subsidiary of the Group and the lessor, and a sale of the vessel to a third party. The termination of the bareboat charter party, which coincided with delivery of the vessel to the third-party buyer, was effective on 27 August 2021 with a recoverable value of the vessel at USD 42,669,000, which was offset against the corresponding lease liability. Following the lease termination and sale, the lease liability directly associated with the vessel had been settled in full in 2021.

Statement of financial position at 31 December 2021

In USD thousands	Singapore FRS[1]	Adjustments	IFRS
Assets	**494,683**	**-**	**494,683**
Non-current assets	474,635	-	474,635
Vessels and other tangible assets/ Property, plant and equipment	410,605	-	410,605
Right-of-use assets	62,871	-	62,871
Other non-current assets/ Other investment	1,159	-	1,159
Current assets	20,049	-	20,049
Fuel and lubrication oil/ Inventories	1,738	-	1,738
Trade and other receivables	1,839	-	1,839
Cash and cash equivalents	15,960	-	15,960
Other current assets/ Prepayments	512	-	512
Equity and liabilities	**494,683**	**-**	**494,683**
Equity	79,239	-	79,239
Non-current liabilities	367,067	-	367,067
Interest-bearing debt - non-current	309,107	-	309,107
Lease liabilities - non-current	30,477	-	30,477
Redeemable convertible loans	27,483	-	27,483
Current liabilities	48,378	-	48,378
Interest-bearing debt – current	17,653	-	17,653
Lease liabilities - current	16,902	-	16,902
Trade and other payables	10,596	-	10,596
Derivative financial instruments	98	-	98
Deferred income	3,129	-	3,129

[1] Adjusted Singapore FRS, reference is made to Note 13 - Adjustments relating to comparative period figures for the year ended 31 December 2021.

Reconciliation of total comprehensive income for the year ended 31 December 2021

In USD thousands	Singapore FRS	Adjustments	IFRS
Operating revenue	78,029	-	78,029
Vessel operating expenses	(34,479)	-	(34,479)
Administrative expenses	(8,162)	-	(8,162)
EBITDA	**35,388**	**-**	**35,388**
Depreciation	(24,792)	-	(24,792)
Operating result (EBIT)	**10,596**	**-**	**10,596**
Financial income	339	-	339
Financial expenses	(18,402)	-	(18,402)
Profit/ (loss) before tax (EBT)	**(7,466)**	**-**	**(7,466)**
Income tax expense	(6)	-	(6)
Profit/ (loss) for the period	**(7,472)**	**-**	**(7,472)**
Exchange differences on translation of foreign operations	43	-	43
Total comprehensive income	**(7,429)**	**-**	**(7,429)**

[1] Adjusted Singapore FRS, reference is made to Note 13 - Adjustments relating to comparative period figures for the year ended 31 December 2021.

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.

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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