Q1 2023 Interim report

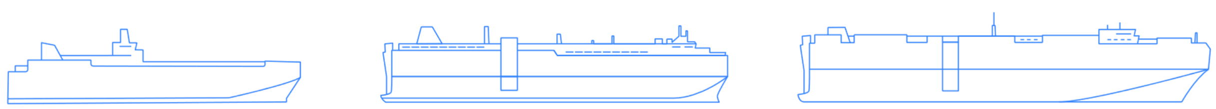
Gram Car Carriers ASA

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 fundamentals with long-term upcycle unfolding
- Successfully capturing the historically strong market
- Stated policy of returning 75% of EPS to shareholders through quarterly dividends from Q2 2023

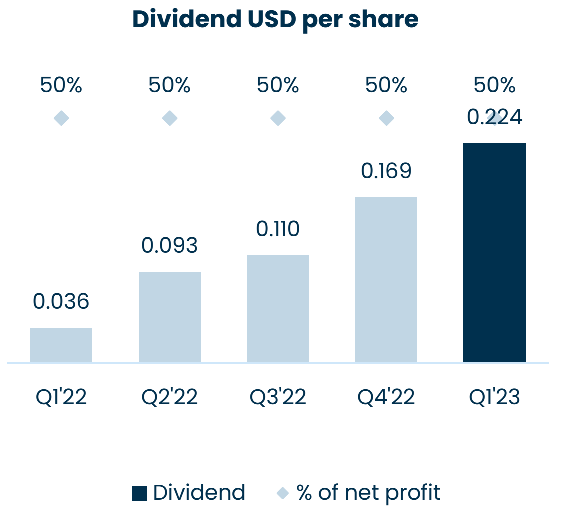


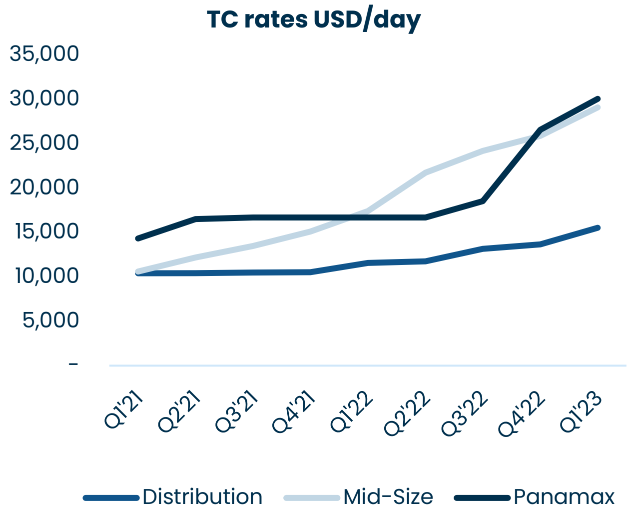
Q1 2023 highlights

- **Board of Directors has approved to pay a dividend of USD 0.224 per share for Q1 2023, equal to 50% of net income**
- **Q1 2023 revenue of USD 41.1 million and EBIT of USD 20.1 million**
- **Q1 2023 average TCE rate per day: Panamax USD 30,060, Mid-size USD 29,100 and Distribution fleet USD 15,540**
- **Total revenue backlog of USD 874 million**
- **Well positioned in historically strong market with 3%/20%/24% open days in 2023/24/25**
- **Favourable market outlook with high charter rates and long contract durations**
- **Reduced margins under credit facilities, contributing to lower interest expense**
- **Dividend pay-out ratio to be increased to 75% of net income from Q2 2023**

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

"Our vision is to be a leader in sustainable transport solutions to the global auto industry. We deliver on that vision through continued strong operational performance and cash generation as an increasing share of our fleet starts new charters reflecting the strong car shipping market fundamentals. The combination of a record revenue backlog, good long-term earnings visibility and an increase in our dividend pay-out ratio provides a strong foundation for growing, attractive shareholder distributions going forward."





Key figures

Q1 2023 (Q4 2022)

Revenue
USD 41.1 million
(USD 38.3 million)

EBITDA
USD 27.7 million
(USD 23.0 million)

Net profit
USD 13.1 million
(USD 9.9 million)

Dividend proposed
USD 6.56 million
(USD 4.96 million)

Average TC rate[1]
USD 25,620
(USD 22,720)

Utilisation
95%
(97%)

Planned/unplanned off-hire
39/46 days
(21/32 days)

Average cash break-even[3]
USD 16,920
(USD 17,270)

Revenue backlog added
USD 61 million
(USD 326 million)

Revenue backlog[1/2]
USD 874 million
(USD 856 million)

Open revenue days 2023[2]
192/3%
(970/10%)

Average renewal duration[4]
4.5 years

[1] On straight-line basis in accordance with IFRS
[2] As per end of reporting date, assuming mid-point charter party redelivery date
[3] Current break-even comprise of budgeted vessel running expenses, insurance, overheads and debt servicing based on prevailing implied 3m SOFR forward rates and next 12 months' debt amortisation schedule. Capex not included.
[4] Average duration of all new charters concluded after listing in January 2022.

Review of operations

Q1'23 (Q4'22)	Distribution	Mid-size	Panamax	Fleet total
Average TC rate[1]	**USD 15,540** (USD 13,680)	**USD 29,100** (USD 25,900)	**USD 30,060** (USD 26,590)	**USD 25,620** (USD 22,720)
Utilisation	**98%** (97%)	**92%** (98%)	**100%** (94%)	**95%** (97%)
Planned/unplanned off-hire days	**-/7 days** (-/12 days)	**39/37 days** (-/19 days)	**-/2 days** (21/1 days)	**39/46 days** (21/32 days)

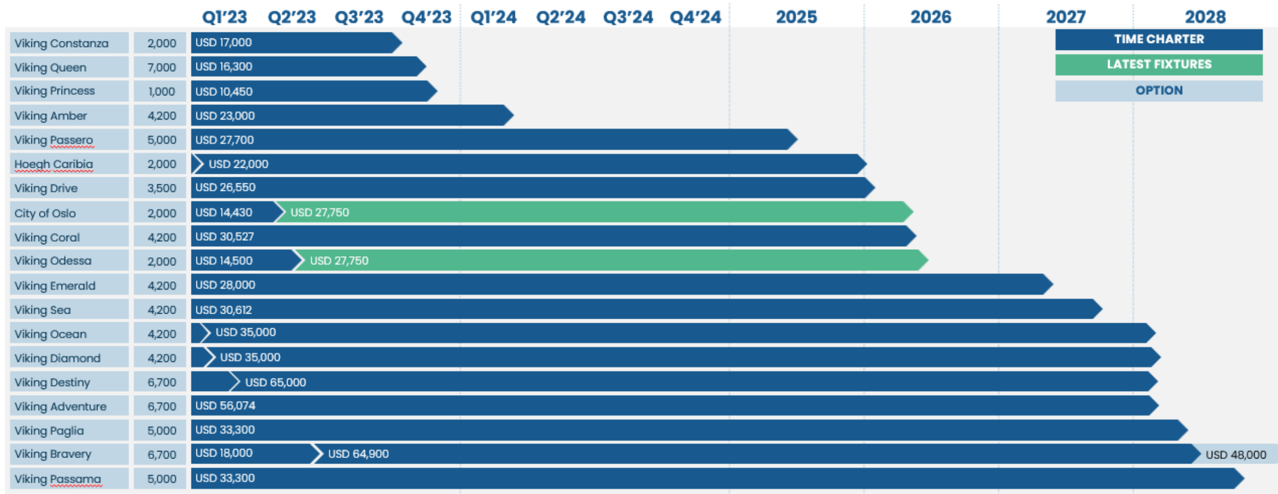
During the first quarter, the Company completed the second special periodic survey of the Mid-size vessel Viking Ocean within schedule, resulting in 21 days off-hire. The Mid-size vessel Viking Sea also commenced second special survey during the quarter, resulting in 13 days off-hire in first quarter and seven days in second quarter. The Mid-sized vessel Viking Diamond underwent 36 days of repairs covered by insurance.

The average fleet TCE was USD 25,620 per day in the first quarter, an increase from USD 22,720 in the fourth quarter of 2022. The higher TCE was a function of higher dayrates for all vessel types, Panamax at USD 30,060 (USD 26,590), the Mid-size fleet of USD 29,100 (USD 25,900) and the Distribution fleet at USD 15,540 (USD 13,680). Daily earnings from the fleet are set to increase further over the next quarters as vessels start on new contracts at higher dayrates.

Contract overview

GCC's revenue backlog amounted to USD 874 million at 31 March 2023, an increase from USD 856 million at the end of 2022. This includes USD 61 million from new contracts signed in the quarter. Discussions are ongoing with potential charterers for the vessels coming open later in the year. Since the listing in early 2022, the average contract duration for new recharters has been 4.5 years. The average contract duration at 31 March 2023 was 3.4 years for the full fleet, and 3.8 and 4 years for the Mid-size and Panamax vessels, respectively.

[1] On straight-line basis in accordance with IFRS



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

On 23 February, GCC signed two new three-year time charter contracts for the Distribution vessels City of Oslo (2,000 CEU) and Viking Odessa (2,000 CEU). The dayrate is USD 27,750 per day for each vessel and the contracts adds approximately USD 61 million of future revenue to the contract backlog. The new time charter contracts will commence during the second quarter of 2023.

Cash-flow break even

The Company estimates an average cash flow breakeven rate of USD 16,920 per day per vessel going forward. The decrease from the USD 17,270 per day in the fourth quarter report on 9 February 2023, reflects lower debt servicing cost following a reduction of the margin on the main credit facility.

Corporate and financing

In April 2023, GCC have agreed with the lenders in the USD 302 million credit facility to reduce the margin from fixed 3.26% to a net interest-bearing debt/ EBITDA grid pricing as shown below:

NIBD/EBITDA	Margin
> 6.00x	3.75%
4.50 – 6.00x	3.20%
3.00 – 4.50x	2.75%
1.50 – 3.00x	2.40%
< 1.50x	2.25%

The applicable margin from the second quarter of 2023 will be 2.75%, with subsequent quarterly revisions. The lenders have also agreed to a reallocation of USD 40 million from the term loan facility to the revolving credit facility, providing GCC with increased flexibility to optimise capital structure and cost. The margin in the USD 15 million facility has been reduced from 4.96% to 4.20%.

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 11 April 2023, forecasts a GDP growth of 2.7% in 2023, compared with 3.2% growth in 2022.

At the end of the first quarter of 2023, LMC Automotive increased its 2023 forecast for global light vehicles sales to 86.1 million units, up from 85.7 million units at the start of the year. This indicates a 6.2% increase in car sales in 2023 compared to 2022. LMC forecasts that global car sales will exceed pre-Covid levels from 2024 onwards. Improved availability of semiconductors is a key driver for the raised sales projections. Supply limitations has in recent years been an important factor for reduced car production.

Chinese auto exports in the first two months of 2023 totalled 661,000 vehicles, with monthly exports exceeding 300,000 units for six consecutive months. This compares to total Korean exports of 522,000 units and Japanese exports of 724,000 units in January and February. This confirms China's position as the second-largest exporter out of Asia. The electric vehicle share in Chinese exports has increased to 30% on a 12-month rolling average basis.

Chinese total exports increased by around 57% to approximately 3.25 million units in 2022 compared to 2021. The trend continues into 2023, with a 42% year-on-year growth for the first two months of the year. China is the third largest vehicle exporter in the world, only behind Japan and the EU. The current run-rate indicates Chinese exports exceeding 4 million units in 2023. The continued growth in Chinese exports is driving increased seaborne volumes and average transport distances, both positive factors for the car carrier market.

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 projects that around 2,800,000 vehicles, will be removed from the planned production in 2023, primarily due to reduced production in Japan and South Korea.

Following an 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. This is due to increased feeder requirements for cargo originating outside Europe and the easing of supply disruptions for the European manufacturers.

Inefficiencies in ports and inland infrastructure remain prevalent throughout the automotive supply chain. Especially Australian ports have experienced increased waiting times for PCTC vessels in the first quarter of 2023. These inefficiencies reduce available capacity and increase the demand for PCTC tonnage.

Fleet development

In recent years, there has been 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. The total orderbook currently consists of 140 vessels, with planned deliveries up until 2028. Out of the orderbook, 103 vessels are scheduled to be delivered before end-2025, with a likely gradual impact on market supply. Of the current PCTC fleet, 147 of the vessels are older than 20 years.

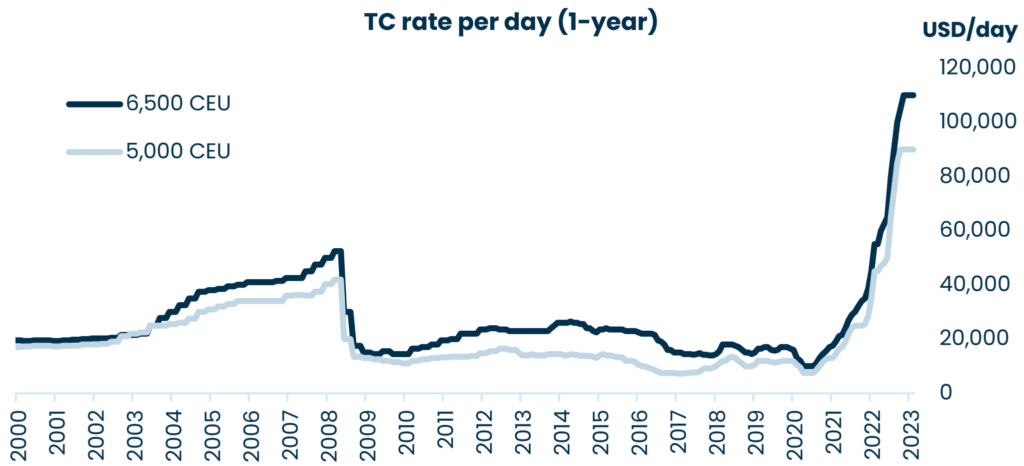
The global car carrier fleet amounted to 758 vessels at 31 March, according to Clarksons. The global order book was 26% of the current capacity. This is up from the historical average of 17%. The delivery schedule of the current PCTC order book is still expected to be insufficient to meet the estimated demand, at least through 2025.

The global fleet controlled by PCTC tonnage providers amounted to 180 vessels at end of the first quarter, unchanged from 2021 and 2022. 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 keep T/C rates at high levels. 12-month TCE contract rates for Panamax vessels were estimated at USD 110,000 per day at the end of March 2023, unchanged from the start of the year, and up from USD 55,000 in March 2022, according to data from Clarksons. 12-month TCE rates for Mid-size vessel were stable year-to-date at USD 90,000 per day and up from USD 45,000 in March 2022.

The Company estimates the current 12-month TCE for Distribution vessels at USD 30,000 per day, an increase from USD 25,000 at year-end 2022 and up from USD 15,000 in March 2022.



Financial review

Key figures

In USD thousands	Q1 2023	Q4 2022	2022
Operating revenue	41,146	38,250	120,976
EBITDA	27,702	22,953	70,596
EBIT	20,060	16,039	43,126
Profit for the period	13,121	9,928	23,877
Cash flow from operating activities	25,378	35,577	79,617

In USD thousands	31 Mar 2023	31 Dec 2022	31 Dec 2022
Cash and cash equivalents	23,701	30,287	30,287
Interest-bearing debt	319,213	339,470	339,470
Equity ratio	42%	40%	40%

Financial performance

First quarter 2023 operating revenue of USD 41.1 million reflected improved average time charter rates across all segments compared to the prior quarter. The daily TCE average for the Distribution vessels increased from USD 13,680 in fourth quarter of 2022 to USD 15,540 in first quarter of 2023, the Mid-size vessel TCE increased from USD 25,900 to USD 29,100 and the Panamax vessel TCE was up from USD 26,950 to USD 30,060.

Vessel operating expenses amounted to USD 11.1 million. Administrative expenses were USD 2.3 million and included non-cash expenses of USD 0.7 million relating to long-term employee incentive programs.

EBITDA was USD 27.7 million, an increase from USD 23.0 million in the fourth quarter of 2022, and EBIT amounted to USD 20.1 million (USD 16.0 million). Net financial expenses of USD 6.9 million reflected mainly interest expense on vessel loans and leases. Net income for the quarter was USD 13.1 million, equal to earnings of USD 0.45 per share.

Financial position

On 31 March 2023, GCC had a cash position of USD 23.7 million and in addition USD 25 million in available undrawn credit lines. Interest-bearing debt, including lease liabilities amounted to USD 319.2 million. Total assets and book equity were USD 598.9 million and USD 252.3 million respectively, equivalent to a book equity ratio of 42%.

Cash flow

Cash flow from operating activities was USD 25.4 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 2.7 million reflected mainly the expenditure relating to drydocking. Cash flow from financing activities was negative with USD 29.3 million and comprises interest payments and scheduled repayment instalments under the Group's debt facilities and leases, a USD 10 million down payment on the revolving credit facility and the quarterly dividend paid to shareholders in March. Net change in cash and cash equivalents was negative with USD 6.6 million for the quarter.

Dividend
The Board of Directors has approved a cash dividend of USD 0.224 per share for the first quarter of 2023, equal to 50% of net income for the period. The dividend distribution is subject approval at the AGM on 12 May 2023. This represents the fifth consecutive quarterly distribution from the Company to shareholders. The distribution shall constitute a repayment of the Company's paid in capital. In March, GCC paid a dividend of USD 0.169 per share for the fourth quarter of 2022.

During the past year, GCC has built a significant revenue backlog providing good visibility on future cash flow. Management and the Board of Directors have assessed the Company's dividend capacity and concluded to increase the dividend pay-out ratio from 50% to 75% of net profit. The revised dividend policy shall be effective starting from the second quarter of 2023.

Outlook

GCC is well positioned in a historically strong market with long-term favourable supply demand dynamics. Over the past 12 months, the Company has rechartered most of its vessels on contracts setting new industry standards in terms of dayrates. This is reflected in a record revenue backlog and expectations for increased earnings and cashflow going forward. Combined with the increased dividend pay-out ratio, this provides the foundation for continued attractive direct shareholder returns.

Oslo, 20 April 2023

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

Ivar Hansson Myklebust
Chair of the Board

Nikolaus H. Schües
Vice Chair of the Board

Alasdair Locke
Board member

Christine Rødsæther
Board member

Nils Kristoffer Gram
Board member

Dr. Gaby Bornheim
Board member

Clivia Catharina Breuel
Board member

Georg Alexander Whist
Chief Executive Officer

Condensed interim financial statements

Consolidated statement of income (unaudited)

In USD thousands	Notes	Q1 2023	Q1 2022	2022
Operating revenue	6	41,146	23,534	120,976
Vessel operating expenses		(11,133)	(9,358)	(41,385)
Administrative expenses		(2,311)	(1,485)	(8,995)
Operating profit before depreciation (EBITDA)		**27,702**	**12,691**	**70,596**
Depreciation	7	(7,642)	(6,784)	(27,470)
Operating result (EBIT)		**20,060**	**5,906**	**43,126**
Financial income		153	92	1,113
Financial expenses		(7,092)	(3,918)	(20,362)
Profit before tax (EBT)		**13,121**	**2,081**	**23,877**
Income tax expense		-	-	-
Profit for the period		**13,121**	**2,081**	**23,877**
Attributable to:				
Equity holders of the parent company		13,121	2,081	23,877
Non-controlling interests		-	-	-
		13,121	2,081	23,877
Earnings per share (USD):				
Basic earnings per share		0.45	0.07	0.83
Diluted earnings per share		0.43	0.07	0.82

Consolidated statement of comprehensive income (unaudited)

In USD thousands	Notes	Q1 2023	Q1 2022	2022
Profit for the period		13,121	2,081	23,877
Exchange differences on translation of foreign operations		16	(8)	(23)
Total comprehensive income		**13,137**	**2,073**	**23,854**
Attributable to:				
Equity holders of the parent company		13,137	2,073	23,854
Non-controlling interests		-	-	-

Consolidated statement of financial position (unaudited)

In USD thousands	Notes	31 Mar 2023	31 Dec 2022
Assets		**598,936**	**609,741**
Non-current assets		563,899	568,858
Vessels and other tangible assets	7	563,340	568,211
Right-of-use assets		50	141
Other non-current assets		509	506
Current assets		35,037	40,883
Inventories		2,338	2,088
Trade and other receivables		4,400	4,498
Cash and cash equivalents		23,701	30,287
Other current assets		4,598	4,010
Equity and liabilities		**598,936**	**609,741**
Equity	9	252,305	243,481
Non-current liabilities		276,753	297,045
Interest-bearing debt - non-current	8	276,753	297,045
Current liabilities		69,878	69,215
Interest-bearing debt – current	8	42,405	42,271
Lease liabilities - current		55	154
Trade and other payables		10,794	10,593
Deferred income		16,624	16,197

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 2023		9,822	173,051	(142,818)	202,522	902	-	243,481
Share-based payments		-	-	-	-	604	-	604
Total comprehensive income for the period		-	-	13,121	16	-	-	13,137
Dividend paid		-	(4,917)	-	-	-	-	(4,917)
Equity at 31 March 2023		**9,822**	**168,134**	**(129,696)**	**202,539**	**1,507**	**-**	**252,305**
Equity at 1 January 2022		230,791	-	(166,695)	964	-	14,178	79,239
Conversion of convertible loans Old Group shareholders		27,669	-	-	-	-	-	27,669
Conversion of redeemable preference shares		1,042	-	-	(1,042)	-	-	-
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)		(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**

Consolidated statement of cash flows (unaudited)

In USD thousands	Note	Q1 2023	Q1 2022	2022
Profit/ (loss) for the period		13,121	2,081	23,877
Financial (income)/ expenses		6,876	3,826	19,633
Depreciation	7	7,642	6,784	27,470
Share-based expenses		604	-	902
Income tax expense		-	-	-
Cash flow from operating activities before changes in working capital		28,243	12,691	71,882
Changes in working capital:				
Trade and other receivables		98	432	(2,659)
Inventories		(250)	(423)	(350)
Other current assets		(588)	(2,282)	(2,987)
Other non-current assets		-	-	-
Trade and other payables		(2,553)	(1,507)	663
Deferred income		427	(955)	13,068
Cash flow from operating activities		**25,378**	**7,955**	**79,617**
Investment in vessels and other tangible fixed assets		(2,680)	(14,004)	(61,940)
Investment in right-of-use assets		-	(458)	(1,080)
Investment in affiliated company		(3)	-	(347)
Cash flow from investing activities		**(2,684)**	**(14,463)**	**(63,368)**
Dividend paid		(4,917)	-	(7,042)
Proceeds from issue of shares		-	58,568	58,822
Proceeds from issue of debt		-	217,885	311,164
Proceeds from sale-lease-back financing		-	68,313	68,313
Repayment of debt		(20,538)	(327,897)	(368,116)
Repayment of lease liability		(99)	(1,172)	(47,226)
Interest paid on interest-bearing debt		(3,739)	(2,506)	(18,760)
Interest paid on lease liabilities		(4)	(666)	(27)
Other financial items		16	973	949
Cash flow from financing activities		**(29,280)**	**13,496**	**(1,923)**
Net change in cash and cash equivalents		(6,586)	6,988	14,327
Cash and cash equivalents at beginning of period		30,287	15,960	15,960
Cash and cash equivalents at end of period		**23,701**	**22,948**	**30,287**

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'.

As per 31 March 2023 the Group operates 19 PCTC vessels, of which 17 are owned vessels and 2 are leased vessels.

Note 2 Basis for preparation

The condensed interim consolidated financial statements for the period 1 January 2022 – 31 March 2023 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.

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. 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. No new standards were effective 1 January 2023, with significant impact on the Group.

Note 3 Significant accounting policies

The accounting policies adopted in preparing the condensed interim consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for per 12-months' period ended 31 December 2022.

Note 4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the condensed interim consolidated financial statements for the Group and application of the accounting policies 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:

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 24.4%, 14.3% and 9.8% of the Group's total time charter revenue during the three months' period ended 31 March 2023 (2022: 14.7%, 14.3% and 9.2%). 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	Q1 2023	Q1 2022	2022
Asia	27,228	15,861	81,656
Europe	7,486	5,809	26,874
Other	7,309	2,203	11,951
Total time charter revenue	**42,023**	**23,873**	**120,481**

Note 6 Operating revenue

In USD thousands	Q1 2023	Q1 2022	2022
Time charter revenue	42,023	23,873	120,481
Time charter hire commissions	(736)	(436)	(2,271)
Management fees and time charter hire commissions	-	97	1,336
Other income	(141)	-	1,430
Total operating revenue	**41,146**	**23,534**	**120,976**

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.

Negative other income of USD 141,000 in 2023 refer to over provision of receivable under loss of hire insurance in 2022.

Note 7 Vessels and other tangible assets

Details of the Group's vessels and other tangible assets at 31 March 2023 are as follows:

In USD thousands	Vessels	Equipment	Total
Acquisition cost at 1 January 2023	857,279	39	857,318
Additions – Drydocking	1,778	-	1,778
Additions – Technical upgrade	902	-	902
Acquisition cost 31 March 2023	859,959	39	859,998
Acc. depreciation at 1 January 2023	(226,397)	(15)	(226,412)
Acc. impairment at 1 January 2023	(62,695)	-	(62,695)
Depreciation for the period	(7,550)	(1)	(7,551)
Acc. depreciation and impairment at 31 March 2023	(296,642)	(16)	(296,658)
Carrying amount at 31 March 2023	**563,317**	**23**	**563,340**
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**

As at 31 March 2023, the Group operated 19 PCTC vessels.

Vessels include dry-docking and technical upgrades. The carrying amount for dry-docking was USD 14,059,000 at 31 March 2023 (31 December 2022: USD 13,177,000).

Vessels with carrying value of USD 563,340,000 at 31 March 2023 have been pledged to secure the various credit facilities (31 December 2022: USD 568,187,000), ref note 8.

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 March 2023 no such indicators have been identified.

Note 8 Interest-bearing debt

Details of the Group's interest-bearing debt at 31 March 2023 are as follows:

USD thousands	Currency	Facility amount	Margin	Maturity	Out-standing
USD 302 million senior secured credit facility	USD	262,000	SOFR +3.21%	Jan 2027	211,467
USD 302 million senior secured credit facility (Viking Paglia)	USD	40,000	SOFR +2.40%	Jan 2027	38,750
USD 15 million senior secured credit facility	USD	15,000	SOFR +4.96%	Apr 2025	11,250
Lease (Viking Adventure/Viking Bravery)	USD	70,000	LIBOR +4.00%	Jan 2030	63,668
					325,134
Amortised debt issuance costs					(5,976)
Total interest-bearing debt at 31 March 2023					**319,158**

The USD 302 million senior secured credit facility include revolving credit facilities of USD 60 million. As at 31 March 2023 USD 25 million of the revolving credit facility was undrawn.

As per 31 March 2023, 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 March 2023 are as follows:

USD thousands	Due within 12 months	1-3 years	4-5 years	>5 years	Total
Interest-bearing debt	42,405	83,855	169,140	29,733	325,134

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**

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	1-3 years	4-5 years	>5 years	Total
Interest-bearing debt	42,271	83,990	187,768	31,615	345,643

Reconciliation of movements in Group's interest-bearing debt for the three-months' period ending 31 March 2023 and 12-months' period ending 31 December 2022:

USD thousands	Q1 2023	2022
Interest-bearing debt (current and non-current) at beginning of period	339,316	326,760
Repayment of debt	(20,538)	(368,116)
Issuance of new debt	-	387,000
Debt issuance costs	-	(7,523)
Non-cash amortisation of debt issuance costs	379	1,196
Interest-bearing debt (current and non-current) at end of period	**319,158**	**339,316**

Note 9 Share capital

In USD thousands	No. of shares	Share capital
1 January 2023	29,285,022	9,822
31 March 2023	**29,285,022**	**9,822**
1 January 2022	10,000,000	125
Reverse split (26.497:1)	(9,622,605)	-
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**

At 31 March 2023 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 10 Subsequent events

In April 2023, GCC have agreed with the lenders in the USD 302 million credit facility to reduce the margin from fixed 3.26% to a net interest-bearing debt/ EBITDA grid pricing and effective 14 April 2023 the margin will reduce to 2.75% with subsequent quarterly revisions.

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; cost guidance; development and construction activities; accounting decisions and policy judgments; 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; an inability to exploit growth or investment opportunities; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure 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 prospectus dated 30 November 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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