Q2 2023 Interim report

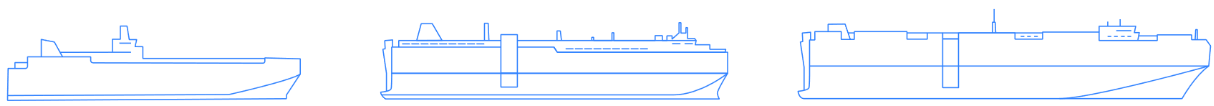
Gram Car Carriers ASA

Gram Car Carriers in brief

GCC is the world's third-largest tonnage provider within the Pure Car Truck Carriers (PCTCs) segment with 20 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
- Policy of returning 75% of net profit to shareholders in quarterly dividends

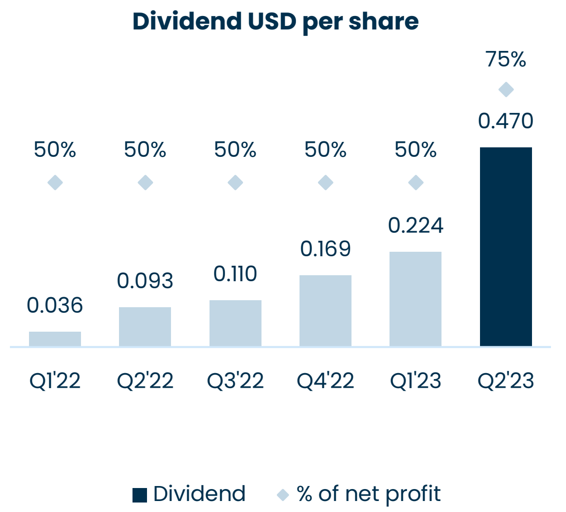


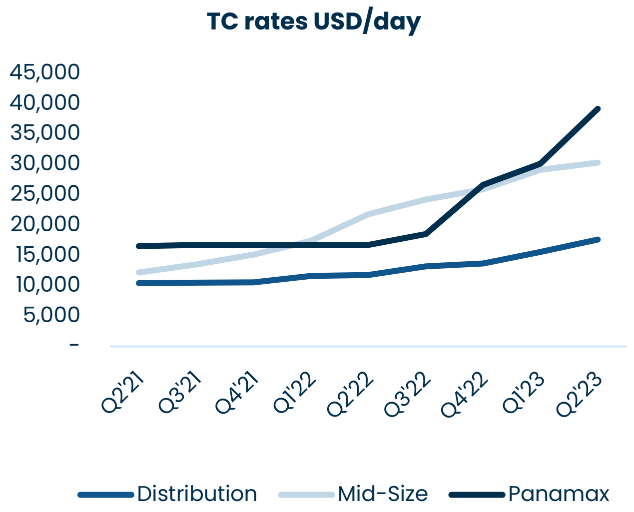
Q2 2023 highlights

- **Board of Directors approves dividend of USD 0.47 per share for Q2 2023, equal to 75% of the net profit of USD 18.1 million**
- **Sixth consecutive quarter with increased dividend with Q2 2023 dividend up 110% from Q1 2023**
- **Q2 2023 revenue of USD 48.4 million and EBITDA of USD 32.9 million**
- **Q2 2023 average TCE rate per day: Panamax USD 39,130, Mid-size USD 30,270 and Distribution fleet USD 17,600**
- **Total revenue backlog of USD 826 million**
- **GCC shares commenced trading on the OTCQX® Best Market in New York**
- **Agreed to sell two Distribution vessels to modernise fleet and capitalise on high asset prices (July)**
- **Acquired 75% of Mid-size vessel at attractive price point (July)**
- **Well positioned in historically strong market with 2%/20%/24% 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:

"We are pleased to deliver on our commitment to provide attractive and growing shareholder distributions in line with our increased dividend pay-out ratio. This is supported by continued strong operational performance and cash generation from a near-record revenue backlog providing long-term earnings visibility. We expect further positive development as additional vessels start on new charters reflecting the strong car shipping market fundamentals."





Key figures

Q2 2023 (Q1 2023)

Revenue	Average TC rate[1]	Revenue backlog added
USD 48.4 million	**USD 28,770**	**-**
(USD 41.1 million)	(USD 25,620)	(USD 61 million)
EBITDA	Utilisation	Revenue backlog[1/2]
USD 32.9 million	**99%**	**USD 826 million**
(USD 27.7 million)	(95%)	(USD 874 million)
Net profit	Planned/unplanned off-hire	Open revenue days 2023[2]
USD 18.1 million	**12/8 days**	**153/2%**
(USD 13.1 million)	(39/46 days)	(192/3%)
Dividend proposed	Average cash break-even[3]	Average renewal duration[4]
USD 13.61 million	**USD 16,950**	**4.5 years**
(USD 6.56 million)	(USD 16,920)	

[1] On straight-line basis in accordance with IFRS
[2] As per end of reporting period, assuming mid-point charter party redelivery date and before sale of Viking Constanza and Viking Princess and acquisition of Mediterranean Sea.
[3] Current cash 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

Q2'23 (Q1'23)	Distribution	Mid-size	Panamax	Fleet total
Average TC rate[1]	**USD 17,600** (USD 15,540)	**USD 30,270** (USD 29,100)	**USD 39,130** (USD 30,060)	**USD 28,770** (USD 25,620)
Utilisation	**99%** (98%)	**99%** (92%)	**98%** (100%)	**99%** (95%)
Planned/unplanned off-hire days	**-/3 days** (-/7 days)	**7/4 days** (39/37 days)	**5/1 days** (-/2 days)	**12/8 days** (39/46 days)

During the quarter, the Company completed the second special periodic survey of the Mid-size vessel Viking Sea, resulting in seven days off-hire in the beginning of the period. The Panamax vessel Viking Bravery arrived in China for installation of an exhaust gas scrubber at the end of June, resulting in five days off-hire in the second quarter. The Viking Bravery completed the installation on budget and ahead of schedule in late July before commencing a five-year time charter. The Company recognised approximately USD 1.0 million of non-recurring operating expenses during the quarter related to repairs which did not impact vessel utilisation.

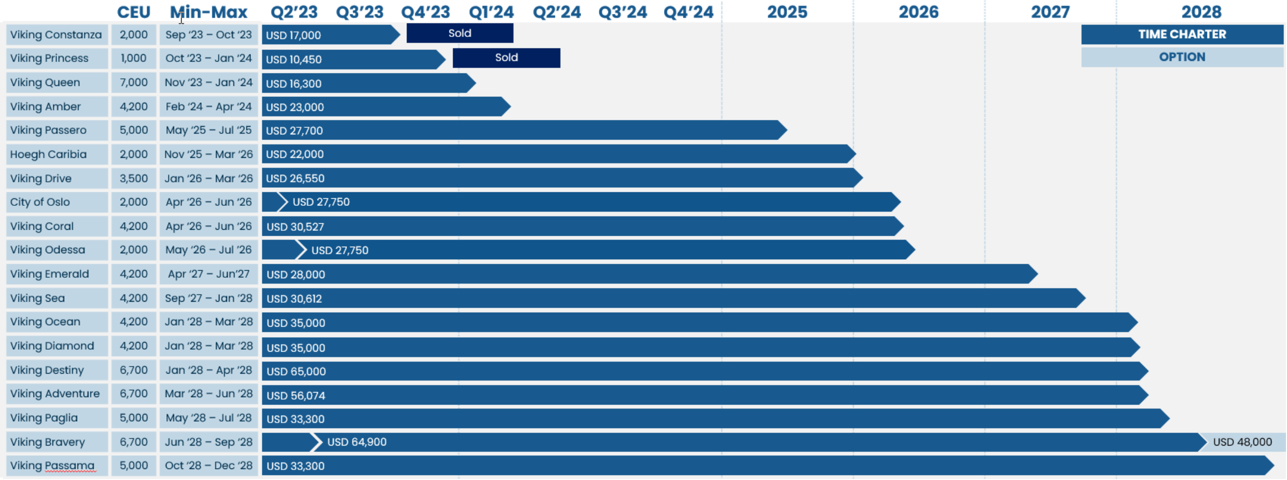
The average fleet TCE was USD 28,770 per day in the second quarter, an increase from USD 25,620 in the first quarter of 2023. The higher TCE was a function of higher dayrates for all vessel types, Panamax at USD 39,130 (USD 30,060), the Mid-size fleet at USD 30,270 (USD 29,100) and the Distribution fleet at USD 17,600 (USD 15,540). Daily earnings for the fleet are set to increase further with the Viking Bravery commencing under its new five-year charter and the two distribution vessels Viking Odessa and City of Oslo under new contracts with higher earnings for the full quarter in third quarter. The fixing of the last open Panamax vessel, Viking Queen, is expected to impact positively on earnings during the first quarter of 2024.

Contract overview

GCC's revenue backlog amounted to USD 826 million at 30 June 2023. The decrease from USD 874 million at the end the first quarter of 2023 reflects contract revenue in the period. No new contracts were signed in the quarter. Effectively, there are no open revenue days in 2023 when considering the announced sale of the Viking Constanza and the Viking Princess, and that the Viking Queen likely will stay with the current charterer until the maximum date in January 2024.

Discussions are ongoing with potential charterers for the vessels coming open next year, including Viking Queen and Viking Amber. Since the listing in early 2022, the average contract duration for new recharters has been 4.5 years. The average contract duration in the revenue backlog at 30 June 2023 was 3.2 years for the full fleet, and 3.6 and 3.8 years for the Mid-size and Panamax vessels, respectively.

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



Cash-flow break-even

The Company estimates an average cash flow breakeven rate of USD 16,950 per day per vessel going forward, stable from the previous quarter (USD 16,920 per day) as lower margins on the main credit facilities offset the impact of higher interest rates.

Corporate and financing

As announced in the first quarter report, GCC has 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 starting from mid-April 2023 was 2.75%. As per 30 June 2023 the NIBD/EBITDA ratio is below 3.00 and consequently the margin will reduce further to 2.40% effective from 15 August 2023. USD 40 million has also been reallocated from the term loan facility to the revolving credit facility, providing GCC with increased flexibility to optimise capital structure and cost.

The Company is currently pursuing attractive refinancing opportunities, mainly focused on the two Panamax vessels currently under lease financing.

On 15 June, the Company completed a share buyback program of 300,000 of its own shares initiated in May. The program provides flexibility to use treasury shares as settlement under the Company's incentive schemes or to reduce the capital of the Company. The treasury shares may also be used in connection with investment within the Company's business area or as settlement in potential acquisitions. The shares were repurchased at an average price of NOK 169.06 per share, equal to a total amount of NOK 50.7 million.

On 22 June, GCC commenced trading on the OTCQX® Best Market in New York under the ticker “GCCRF”. To qualify on OTCQX, companies must meet high financial standards, follow best practice corporate governance, and demonstrate compliance with applicable securities laws. Cross-trading on OTCQX is an important step in providing transparent trading for Gram Car Carrier’s existing and potential future U.S.-

based investors. The Company expects that cross-trading on OTCQX over time will create additional long-term value through a broader US investor base and higher trading volumes.

Subsequent events

On 5 July, the Company signed an agreement to sell two Distribution vessels, the Viking Constanza (2,000 CEU, built 2010) and the Viking Princess (1,000 CEU, built 1996), for a total cash consideration of USD 43.5 million to modernise the fleet and capitalise on historically high second-hand vessel values. GCC expects to recognise a total book gain of USD 19 million upon completion of the sale of the two vessels, with the Viking Constanza to be delivered to the new owner in the fourth quarter of 2023 and the Viking Princess to be delivered in the first quarter of 2024 upon redelivery from the current charterers. The buyer of the two vessels is an undisclosed European-based vehicle logistics company. The customary 10% deposit has been received from the buyer.

In July, GCC acquired a combined 74.9% equity stake in Gram Car AS, a single purpose company owning the Pure Car Truck Carrier the Mediterranean Sea (5,000 CEU, built 2010), for a total consideration of USD 17.8 million in a series of separate transactions. The acquisition is expected to support increased dividend distributions. GCC is the commercial manager of Gram Car AS, holding 1% of the shares before the acquisition. The vessel is on a contract at USD 25,500 per day plus scrubber premium until the third quarter of 2025. Following the acquisition of the shares, Gram Car AS will be consolidated into the Group with effect starting from beginning of August 2023 and will add approximately USD 18 million in contract backlog.

The two sale and purchase transactions enable GCC to replace two smaller Distribution vessels, including one older asset at the tail-end of its operating life, with a larger Mid-size vessel with higher long-term earnings and dividend capacity.

On 26 July, the Hoegh Caribia made contact with another vessel when exiting port. There were no reported injuries, water ingress or pollution. The vessel resumed its voyage on 1 August after temporary repairs. Full repairs are planned to be carried out in the fourth quarter with an estimated net financial impact of approximately USD 1 million after insurance, reflecting a 30-day off-hire period and incident related costs.

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 25 July 2023, forecasts a GDP growth of 3.0% in 2023, compared with 3.5% growth in 2022.

At the end of the second quarter of 2023, LMC Automotive increased its 2023 forecast for global light vehicles sales to 86.3 million units, up from 86.1 million units at the end of the previous quarter. This indicates a 7.0% 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 have in recent years led to reduced global car production.

Chinese auto exports in the first six months of 2023 totalled 2.14 million vehicles, with monthly exports exceeding 400,000 units for the first time in history in April 2023. This compares to total Korean exports of 1.87 million units and Japanese exports of 2.56million units in the same period. This confirms China's position as the second largest exporter out of Asia. Electric vehicles' share of Chinese exports has increased to 31% on a 12-month rolling average basis.

The combination of rapid Chinese export growth, strong Korean volumes and the Japanese auto industry trending towards a full recovery is expected to yield a 37% growth in total Far East vehicle exports in 2023 when compared to pre-covid levels of 2019. The forecast is based on the current export run-rate for the three countries after six months. Long-haul far East exports have for some time been the main demand driver for the car carrier market with significant growth in seaborne transport volumes coming at a time with limited available capacity and the planned supply of new tonnage is yet to get to the market.

Governments around the world are incentivising consumers and producers to support the continued electrification of the global car fleet. Currently, China represents around 50% of the global sales of electric vehicles. This forms a highly competitive base for increased market share in the traditionally strong European and North American consumer markets. Recently, EV manufacturers have lowered prices to further induce demand. Traditional incumbents such as Toyota have increased their targets for EV sales, which may fuel further competition throughout the industry.

Supply disruptions for car manufacturers, although easing, are still impacting auto sales in major markets. AutoForecast Solutions projects that around 2.5 million vehicles, will be removed from the planned production in 2023, primarily due to reduced output in Japan and South Korea.

The global auto supply chain also continues to face challenges. While port and inland infrastructure inefficiencies were a constant factor during the pandemic years, the first half of 2023 has been impacted by other external factors such as floods, biosecurity delays and inadequate port storage facilities which impact available capacity and increase the demand for PCTC tonnage.

The strong volume growth from the Far East into the main consumer markets have led to a gradual firming up of the short sea car market in Europe due to increased feeder requirements for cargo originating outside Europe. An easing of supply disruptions for the European manufacturers has also had a positive impact on the short sea trade.

Fleet development

The current strong car shipping market has led to an increase in ordering activity for new tonnage following almost ten years of a flat to slightly decreasing global PCTC fleet. Currently, 103 vessels are scheduled to be delivered from yard before end-2025. The total order book comprises 155 vessels with planned deliveries up until 2028. These will lead to a gradual increase in the PCTC fleet which is expected to be absorbed in the market over the coming years. Of the current PCTC fleet, 147 of the vessels are older than 20 years and candidates for re-cycling.

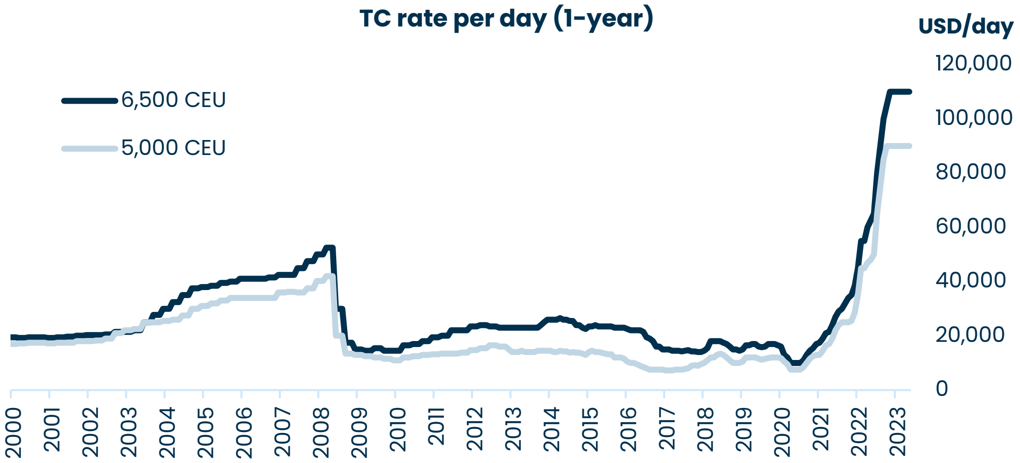
The global car carrier fleet amounted to 759 vessels at 30 June, according to Clarksons. The global order book was 29% of the current capacity. This is up from the historical average of 17%. The delivery schedule of the current PCTC order book is still expected to be insufficient to meet the estimated demand, at least through 2025.

The global fleet controlled by PCTC tonnage providers amounted to 180 vessels at end of the second quarter, unchanged from 2021 and 2022. Currently there are an estimated eight vessels controlled by tonnage providers open for contract renewal in 2023 and 32 in 2024. This compares to 65 vessels fixed during the entire 2022. Further, six newbuilds controlled by tonnage providers are seen open for charters from the second half of 2024.

Time charter rates

TC rates remain stable at record levels due to the combination of strong demand and limited near term open vessel supply. The 12-month TCE contract rates for Panamax vessels were estimated at USD 110,000 per day at the end of June 2023, unchanged from the start of the year, and up from USD 62,500 in June 2022, according to data from Clarksons. The 12-month TCE rates for Mid-size vessel were stable year-to-date at USD 90,000 per day and up from USD 48,000 in June 2022.

The Company estimates the current 12-month TCE for Distribution vessels at USD 30,000 per day, unchanged from the first quarter of 2023 and an increase from USD 17,000 in June 2022.



Financial review

Key figures

In USD thousands	Q2 2023	Q1 2023	Q4 2022	2022
Operating revenue	48,448	41,146	38,250	120,976
EBITDA	32,898	27,702	22,953	70,596
EBIT	25,139	20,060	16,039	43,126
Profit for the period	18,143	13,121	9,928	23,877
Cash flow from operating activities	37,987	25,378	35,577	79,617

In USD thousands	30 Jun 2023	31 Mar 2023	31 Dec 2022	31 Dec 2022
Cash and cash equivalents	30,000	23,701	30,287	30,287
Interest-bearing debt	308,314	319,213	339,470	339,470
Equity ratio	43%	42%	40%	40%

Financial performance

Second quarter 2023 operating revenue of USD 48.4 million reflected improved average time charter rates across all segments compared to the prior quarter.

Vessel operating expenses amounted to USD 12.9 million. Administrative expenses were USD 2.7 million and included non-cash expenses of USD 0.8 million relating to long-term employee incentive programs.

EBITDA was USD 32.9 million, an increase from USD 27.7 million in the first quarter of 2023, and EBIT amounted to USD 25.1 million (USD 20.1 million). Net financial expenses of USD 7.6 million reflected mainly interest expense on vessel loans and leases. Net profit for the quarter was USD 18.1 million, equal to earnings of USD 0.62 per share.

Financial position

On 30 June 2023, GCC had a cash position of USD 30 million and in addition USD 25 million in available undrawn credit lines. Interest-bearing debt, including lease liabilities amounted to USD 308.3 million. Total assets and book equity were USD 599 million and USD 259.7 million respectively, equivalent to a book equity ratio of 43%.

Cash flow

Cash flow from operating activities was USD 38 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 1.8 million reflected mainly the expenditure relating to drydocking. Cash flow from financing activities was negative with USD 29.9 million and comprises interest payments and scheduled repayment instalments under the Group's debt facilities and leases and the quarterly dividend paid to shareholders in May. Net change in cash and cash equivalents was negative with USD 6.3 million for the quarter.

Dividend

GCC has built a significant revenue backlog providing good visibility on future cash flow. Following an assessment of the Company's dividend capacity, the dividend pay-out ratio was increased from 50% to 75% of net profit effective from the second quarter of 2023.

The Board of Directors has approved a cash dividend of USD 0.470 per share for the second quarter of 2023, in line with policy. This represents the sixth consecutive quarterly distribution from the Company to shareholders. The distribution shall constitute a repayment of the Company's paid in capital. In May, GCC paid a dividend of USD 0.224 per share for the first quarter of 2023.

Risk

GCC is exposed to various operational, financial, regulatory, and legal risks. These are described in the Prospectus related to the listing of the shares on the main list of the Oslo Stock Exchange dated 30 November 2022.

Global inflationary pressure has led to central banks to increase interest rates, and further rate increases are expected during the second half of 2023. Changes to interest rates affect GCC's borrowing costs and TC break even as all the Company's debt is on floating interest basis linked to US SOFR.

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

Outlook

GCC is well positioned in a historically strong market with long-term favourable supply demand dynamics. The Company has rechartered most of its vessels on contracts setting new industry standards in terms of dayrates and duration. This is reflected in a near 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, 14 August 2023
Board of Directors and Chief Executive Officer, Gram Car Carriers ASA

Condensed interim financial statements

Consolidated statement of income (unaudited)

In USD thousands	Notes	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Operating revenue	6	48,448	27,740	89,593	51,274	120,976
Vessel operating expenses		(12,851)	(9,505)	(23,984)	(18,863)	(41,385)
Administrative expenses		(2,699)	(2,070)	(5,009)	(3,555)	(8,995)
Operating profit before depreciation (EBITDA)		**32,898**	**16,165**	**60,600**	**28,856**	**70,596**
Depreciation	7	(7,759)	(6,871)	(15,401)	(13,655)	(27,470)
Operating result (EBIT)		**25,139**	**9,294**	**45,199**	**15,201**	**43,126**
Financial income		556	313	709	405	1,113
Financial expenses		(7,552)	(4,259)	(14,644)	(8,178)	(20,362)
Profit before tax (EBT)		**18,143**	**5,348**	**31,264**	**7,429**	**23,877**
Income tax expense		-	-	-	-	-
Profit for the period		**18,143**	**5,348**	**31,264**	**7,429**	**23,877**
Attributable to:						
Equity holders of the parent company		18,143	5,348	31,264	7,429	23,877
Non-controlling interests		-	-	-	-	-
		18,143	5,348	31,264	7,429	23,877
Earnings per share (USD):						
Basic earnings per share		0.62	0.19	1.07	0.26	0.83
Diluted earnings per share		0.60	0.19	1.03	0.26	0.82

Consolidated statement of comprehensive income (unaudited)

In USD thousands	Notes	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Profit for the period		18,143	5,348	31,264	7,429	23,877
Exchange differences on translation of foreign operations		(19)	56	(3)	48	(23)
Total comprehensive income		**18,124**	**5,404**	**31,261**	**7,477**	**23,854**
Attributable to:						
Equity holders of the parent company		18,124	5,404	31,261	7,477	23,854
Non-controlling interests		-	-	-	-	-

Consolidated statement of financial position (unaudited)

In USD thousands	Notes	30 Jun 2023	31 Dec 2022
Assets		**598,979**	**609,741**
Non-current assets		558,165	568,858
Vessels and other tangible assets	7	557,404	568,211
Right-of-use assets		252	141
Other non-current assets		509	506
Current assets		40,814	40,883
Inventories		2,698	2,088
Trade and other receivables		3,244	4,498
Cash and cash equivalents		30,000	30,287
Other current assets		4,871	4,010
Equity and liabilities		**598,979**	**609,741**
Equity	9	259,727	243,481
Non-current liabilities		265,638	297,045
Interest-bearing debt - non-current	8	265,519	297,045
Lease liabilities – non-current		118	-
Current liabilities		73,614	69,215
Interest-bearing debt – current	8	42,543	42,271
Lease liabilities - current		133	154
Trade and other payables		9,706	10,593
Deferred income		21,231	16,197

Consolidated statement of changes in equity (unaudited)

In USD thousands	Share capital	Share premium	Treasury share	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	-	-	-	-	-	1,050	-	1,050
Treasury shares	-	-	(4,632)	-	-	-	-	(4,632)
Total comprehensive income for the period	-	-	-	31,264	(3)	-	-	31,261
Dividend paid	-	(11,432)	-	-	-	-	-	(11,432)
Equity at 30 June 2023	**9,822**	**161,619**	**(4,632)**	**(111,553)**	**202,520**	**1,952**	**-**	**259,727**
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	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Profit/ (loss) for the period		18,143	5,348	31,264	7,429	23,877
Financial (income)/ expenses		7,248	4,077	14,124	7,903	19,633
Depreciation	7	7,759	6,871	15,401	13,655	27,470
Share-based expenses		446	-	1,050	-	902
Income tax expense		-	-	-	-	-
Cash flow from operating activities before changes in working capital		33,596	16,296	61,839	28,987	71,882
Changes in working capital:						
Trade and other receivables		1,504	671	1,254	248	(2,659)
Inventories		(708)	(598)	(610)	(166)	(350)
Other current assets		(273)	509	(861)	(1,773)	(2,987)
Other non-current assets		-	(171)	-	829	-
Trade and other payables		(739)	476	(3,292)	(1,034)	663
Deferred income		4,607	1,979	5,034	1,024	13,068
Cash flow from operating activities		**37,987**	**19,162**	**63,363**	**28,115**	**79,617**
Investment in vessels and other tangible fixed assets		(1,751)	(3,449)	(4,431)	(67,019)	(61,940)
Investment in right-of-use assets		-	(390)	-	(2,716)	(1,080)
Investment in affiliated company		-	-	(3)	-	(347)
Cash flow from investing activities		**(1,751)**	**(3,839)**	**(4,433)**	**(69,735)**	**(63,368)**
Dividend paid		(6,515)	(1,057)	(11,432)	(1,057)	(7,042)
Proceeds from issue of shares		-	331	-	108,645	58,822
Purchase of treasury shares		(4,632)	-	(4,632)	-	-
Proceeds from issue of debt		-	14,361	-	232,246	311,164
Proceeds from sale-lease-back financing		-	-	-	70,000	68,313
Repayment of debt		(11,540)	(6,154)	(32,078)	(332,810)	(368,116)
Repayment of lease liability		(78)	(15,597)	(177)	(18,009)	(47,226)
Interest paid on interest-bearing debt		(7,157)	(2,183)	(10,896)	(3,895)	(18,760)
Interest paid on lease liabilities		6	(1,476)	2	(2,936)	(27)
Other financial items		(19)	-	(3)	(27)	949
Cash flow from financing activities		**(29,935)**	**(11,775)**	**(59,216)**	**52,156**	**(1,923)**
Net change in cash and cash equivalents		6,300	3,548	(287)	10,536	14,327
Cash and cash equivalents at beginning of period		23,701	22,948	30,287	15,960	15,960
Cash and cash equivalents at end of period		**30,000**	**26,496**	**30,000**	**26,496**	**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' and also traded on OTCQX Best Market under the ticker 'GCCRF'.

As per 30 June 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 – 30 June 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 the 12-month 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 28.9%, 12.1% and 12.1% of the Group's total time charter revenue during the three months' period ended 30 June 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	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Asia	29,842	18,182	57,070	34,042	81,656
Europe	12,243	7,449	19,729	13,258	26,874
Other	7,019	2,278	14,328	4,482	11,951
Total time charter revenue	**49,104**	**27,909**	**91,127**	**51,782**	**120,481**

Note 6 Operating revenue

In USD thousands	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Time charter revenue	49,104	27,909	91,127	51,782	120,481
Time charter hire commissions	(812)	(499)	(1,549)	(934)	(2,271)
Management fees and time charter hire commissions	122	230	122	327	1,336
Other income	34	100	(107)	100	1,430
Total operating revenue	**48,447**	**27,740**	**89,593**	**51,274**	**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.

Note 7 Vessels and other tangible assets

Details of the Group's vessels and other tangible assets at 30 June 2023 are as follows:

In USD thousands	Vessels	Equipment	Total
Acquisition cost at 1 January 2023	857,279	39	857,318
Additions – Drydocking	2,077	-	2,077
Additions – Technical upgrade	2,353	-	2,353
Acquisition cost 30 June 2023	861,709	39	861,749
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	(15,234)	(3)	(15,237)
Acc. depreciation and impairment at 30 June 2023	(304,326)	(18)	(304,344)
Carrying amount at 30 June 2023	**557,383**	**21**	**557,404**
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	(211,935)	(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 30 June 2023, the Group operated 19 PCTC vessels.

Vessels include dry-docking and technical upgrades. The carrying amount for dry-docking was USD 13,611,000 at 30 June 2023 (31 December 2022: USD 13,177,000).

Vessels with carrying value of USD 557,383,000 at 30 June 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 30 June 2023 no such indicators have been identified.

Note 8 Interest-bearing debt

Details of the Group's interest-bearing debt at 30 June 2023 are as follows:

USD thousands	Currency	Facility amount	Margin	Maturity	Out-standing
USD 302 million senior secured credit facility	USD	302,000	SOFR +2.75%	Jan 2027	242,250
USD 15 million senior secured credit facility	USD	15,000	SOFR +4.96%	Apr 2025	10,000
Lease (Viking Adventure/Viking Bravery)	USD	70,000	LIBOR +4.00%	Jan 2030	62,362
					314,612
Amortised debt issuance costs					(6,549)
Total interest-bearing debt at 30 June 2023					**308,062**

The USD 302 million senior secured credit facility include revolving credit facilities of USD 100 million. As at 30 June 2023 USD 25 million of the revolving credit facility was undrawn.

As per 30 June 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 30 June 2023 are as follows:

USD thousands	Due within 12 months	1-3 years	4-5 years	>5 years	Total
Interest-bearing debt	42,543	82,912	161,325	27,832	314,612

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 six-months' period ending 30 June 2023 and 12-months' period ending 31 December 2022:

USD thousands	H1 2023	2022
Interest-bearing debt (current and non-current) at beginning of period	339,316	326,760
Repayment of debt	(31,032)	(368,116)
Issuance of new debt	-	387,000
Debt issuance costs	(1,046)	(7,523)
Non-cash amortisation of debt issuance costs	824	1,196
Interest-bearing debt (current and non-current) at end of period	**308,062**	**339,316**

Note 9 Transactions with related parties

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

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

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

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

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

In USD thousands	Related party	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Technical ship management fees	Reederei F. Laeisz GmbH	(131)	(87)	(262)	(151)	(343)
Charter hire commissions	Martini Dry Chartering GmbH	(106)	(33)	(212)	(72)	(187)
Commissions	Global Auto Carriers Group	-	171	-	171	341
Trademark license	P D Gram & Co AS	(50)	(101)	(100)	(101)	(206)

All related party transactions are carried out at market terms.

Note 10 Share capital

In USD thousands	No. of shares	Share capital
1 January 2023	29,285,022	9,822
30 June 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 30 June 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.

At 30 June 2023 the Company held 300,000 treasury shares, all of which had been acquired during the three-month period ending 30 June 2023.

Note 11 Subsequent events

In July 2023, the Group has entered into agreements for the sale of two of its PCTC vessels, the Viking Constanza (2,000 CEU) and Viking Princess (1,000 CEU). The total combined consideration for the two vessels is USD 43.5 million. Delivery of the vessels to the buyer er expected upon redelivery from existing charterers in Q4 2023 for Viking Constanza and Q1 2024 for the Viking Princess.

In July 2023 the Company has acquired 74.9% of the shares of Gram Car AS, increasing the Company's shareholding to 75.9%. Gram Car AS is a single purpose company owning the PCTC vessel Mediterranean Sea (5,000 CEU, built 2010). The combined consideration for the shares was USD 17.8 million. Following the acquisition of the shares, Gram Car AS will be consolidated into the Group with effect from August 2023 and will add approximately USD 18 million in contract backlog.

Statement by the Board and Management

The Board of Directors and Management have reviewed and approved the condensed interim financial statements of Gram Car Carriers ASA for the period 1 January – 30 June 2023 and confirm that to the best of our knowledge:

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

Oslo, 14 August 2023

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

/sign/ Ivar Hansson Myklebust Chair	/sign/ Hans Nikolaus Schües Deputy Chair	/sign/ Alasdair James Dougall Locke
/sign/ Christine Rødsæther	/sign/ Nils Kristoffer Gram	/sign/ Gaby Bornheim
/sign/ Clivia Catharina Breuel	/sign/ Georg Alexander Whist Chief Executive Officer	

Alternative performance measures and glossary

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

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

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

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

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

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

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

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

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

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

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

CEU: Car Equivalent Units

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

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

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

Forward looking statement

This report contains certain forward-looking statements that involve risks and uncertainties. In some cases, the Company uses words such as "ambition", "continue", "could", "estimate", "expect", “believe”, "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements regarding plans and expectations with respect to Gram Car Carrier’s development and returns, balance sheet and long-term underlying earnings growth; market outlook and future economic projections and assumptions; capital expenditure guidance; 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 most recent annual report and 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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