



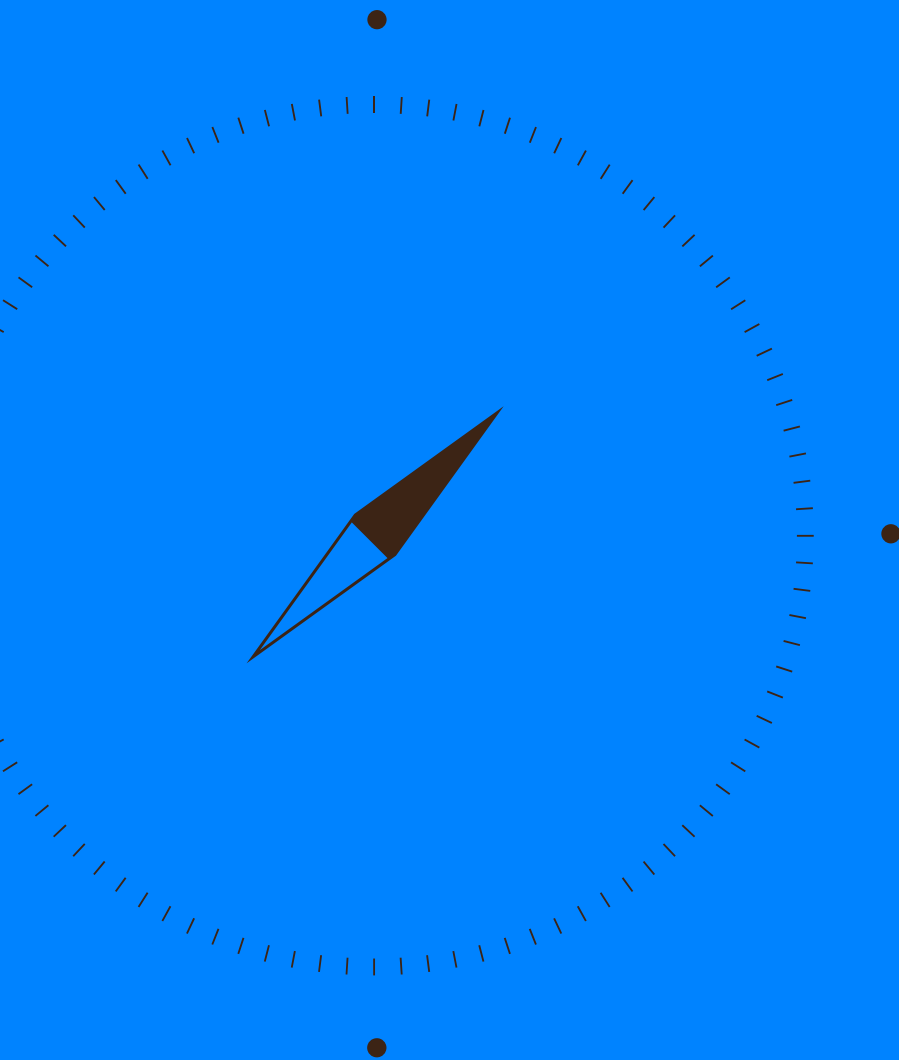
GRAM CAR  
CARRIERS

# Supporting the green mobility shift.

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Gram Car Carriers  
Annual report 2022





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# GCC in brief

Gram Car Carriers (GCC) is a tonnage provider focused on providing a modern, reliable and efficient Pure Car Truck Carrier (PCTC) fleet with various vessel sizes to suit all aspects of the seaborne car transportation trade. GCC is the world's third-largest tonnage provider within the PCTC segment with 19 owned 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 major global and regional PCTC operators.

## Investment highlights

Unique investment opportunity in leading PCTC tonnage provider

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Attractive market fundamentals with long-term upcycle unfolding

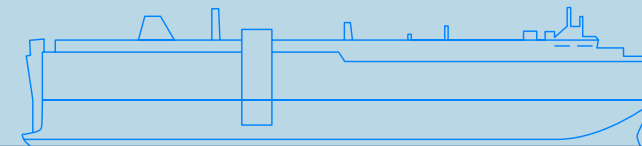
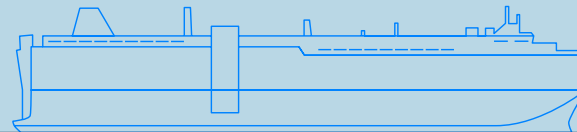
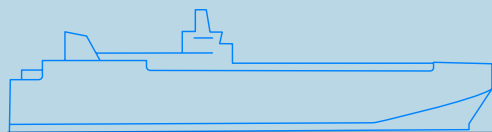
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Stated policy of returning minimum 50% of EPS to shareholders through quarterly dividends

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Successfully capturing a historically strong market

## Supporting the green mobility shift.



# 2022 highlights

**Total dividend payments** of USD 11.9 million for 2022 distributed quarterly, in line with policy

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**Full-year revenue** of USD 121 million, EBITDA of USD 70.6 million and net profit of USD 23.9 million

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**Successfully capturing** a historically strong market with 10%/31%/34% open days in 2023/24/25 at year end

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**Favourable market outlook** with continued high charter rates and long contract durations

**Successful transfer** to Oslo Børs' main market on 15 December following initial listing on Euronext Growth in January 2022

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**2022 average TCE<sup>1</sup> revenue:** Panamax USD 19,650; Mid-size USD 22,390 and Distribution fleet USD 12,560

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**High visibility** on future earnings and dividend with more than 5x increase in revenue backlog during the year



<sup>1</sup> On straight-line basis in accordance with IFRS

# Key figures



Revenue (USD million)

**121.0**

Net profit (USD million)

**23.9**

Dividend paid and proposed (USD million)

**11.9**



Average TC rate <sup>1</sup> (USD)

**18,960**

Utilisation

**97%**

Average cash break-even <sup>3</sup> (USD)

**17,270**



Total revenue backlog added in 2022 <sup>2</sup> (USD million)

**923**

Revenue backlog at year end (USD million)

**856**

Average contract coverage duration per vessel (years)

**3.3**

<sup>1</sup> On straight-line basis in accordance with IFRS

<sup>2</sup> Revenue backlog added during 2022, including new time charters amounting to USD 848 million and existing backlog on acquired vessels amounting to USD 75 million.

<sup>3</sup> Current break-even comprise of budgeted vessel running expenses, insurance, overheads and debt servicing based on prevailing 3m SOFR implied forward rates and next 12 months' debt amortisation schedule. Capex not included

# Letter from the CEO

**2022 was transformational for Gram Car Carriers as we delivered on our strategic priorities in our first year as a publicly listed company to create significant value for our stakeholders.**

We confirmed our position 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 by rechartering our fleet at high dayrates and long durations. This was reflected in successively increased quarterly profits and dividend distributions and a record revenue backlog at year end.

Our achievements reflect disciplined delivery on the strategy we presented to investors when GCC in January completed the corporate restructuring, raised capital and was admitted to trading on Euronext Growth in Oslo. The same strategic priorities underpinned our up-listing to Oslo Børs' main market in December, in line with the plan we communicated at the start of the year.



### Significant value creation

At year end, we owned and operated a fleet of 19 modern car carriers engaged in a strong car shipping market under-supplied on capacity. During 2022, we grew our revenue backlog more than five-fold to USD 856 million. The value-weighted average contract duration of the new charters signed was nearly five years per vessel. Going into 2023, this provides us with good visibility on future cash flows.

Our financial performance improved successively through the year as our vessels commenced new contracts, driving revenue growth and profitability. For 2022, we distributed a total of USD 0.408 per share including the fourth quarter dividend paid in early 2023, equal to 50% of net profit in line with our policy.

When combining dividends paid and share price appreciation during 2022, the total return for the GCC share was 212%, making us a top performer on Oslo Børs. Our backlog, combined with efficient operations and a robust balance sheet, provide a strong foundation for further growth and cash generation. We will continue to share that value creation directly with our shareholders through quarterly distributions.

### Building for the future

This is reflected in our strategic choice of being an owner of vessels with long-term contracts. As part of that strategy, we will pursue accretive growth opportunities which support increased shareholder distributions.

Our ambition to grow profitably motivated the acquisition of three Mid-size car carriers from German shipowner F. Laeisz, which became our largest shareholder. We also advised on the formation of Global Auto Carriers AS (GAC), a company with four 7,000 CEU environmentally friendly dual fuel car carriers on order in China, with options for up to two more vessels. This creates additional revenue streams for us as the commercial manager and the potential for a meaningful future equity stake without adding capital expenditure.

We expect a prolonged period of high returns in the car shipping market driven by growing vehicle exports out of Asia, led by China, to meet global auto demand which is recovering after the Covid-19 pandemic despite inflation and rising interest rates. The increase in shipyard orders for newbuild car carriers will likely be absorbed by the current shortage of vessels combined with rising demand in coming years driven partly by rapidly growing volumes of electrical vehicles. Against this backdrop, we continue to selectively consider potential growth opportunities.

### A trusted partner

We have a clear set of values that define how we should act as a business and as individuals. I would like to thank the entire GCC team and our vessel crews for their dedication and for living up to our values which form the basis for our long-term growth and value creation. I would also like to thank the Board of Directors for their steadfast guidance during a very active year for our company.

We are committed to being a trusted provider of high-quality vessels and logistics solutions to our growing network of clients comprising major global and regional PCTC operators. We have a strong heritage with more than 40 years of involvement in the global car shipping market with long-standing relationships across the entire automotive industry.

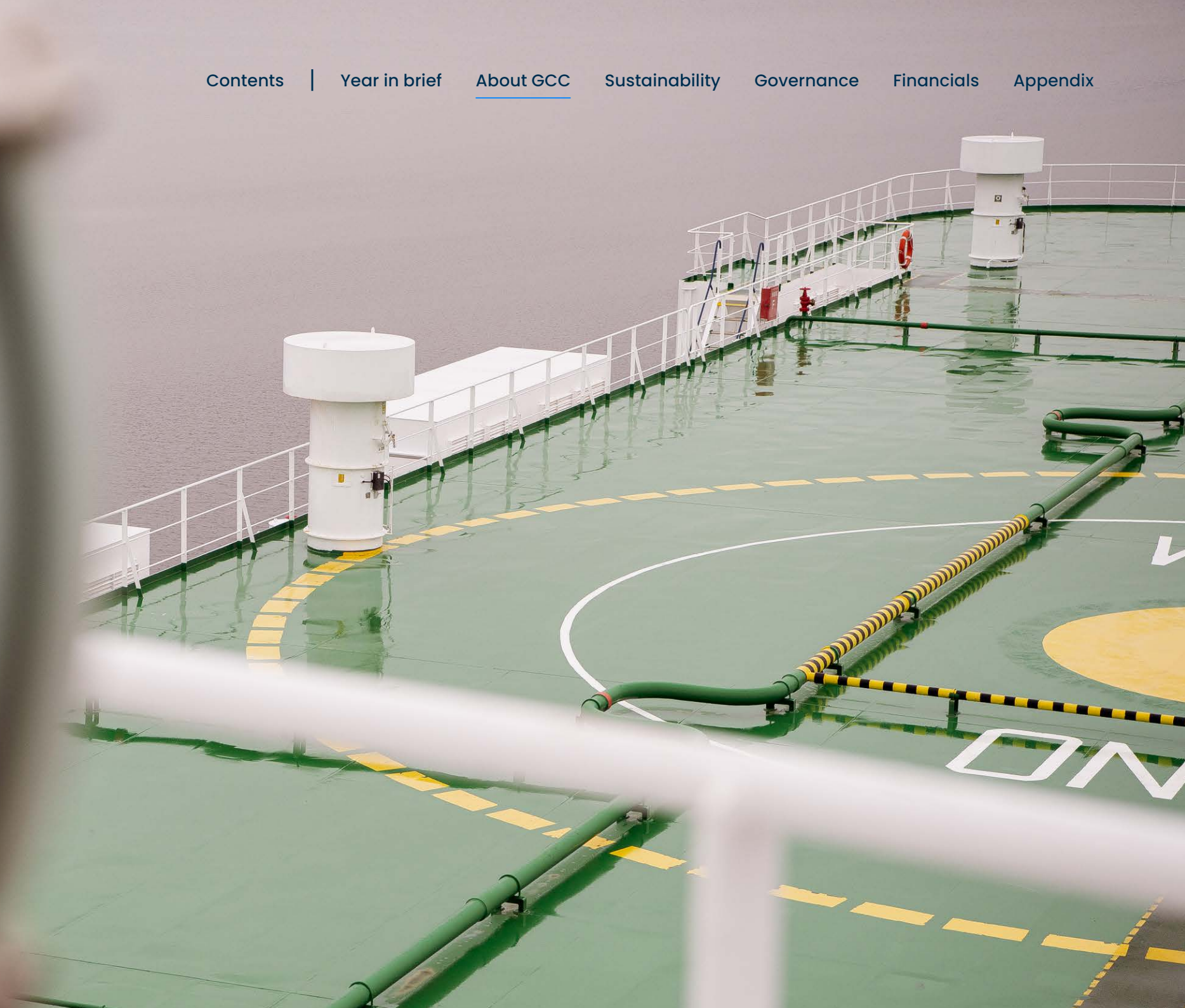
I am proud to say that we continue to thrive as an essential and supportive partner to the industry as vehicles and their logistic chain transition towards a zero-emission future. Our vessels carry an increasing share of electric vehicles that are crucial to the energy transition, and we collaborate with customers and partners to develop solutions that reduce emissions from vessel operations to support the decarbonisation of the global automobile value chain.

Going into 2023 and beyond, 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 profitable growth and attractive shareholder distributions.

### Georg A. Whist

CEO of Gram Car Carriers ASA

# About GCC







# Vision, mission and values

**Gram Car Carriers' culture is built on the Company's purpose, vision, mission and values, which also influence how the Company carries out the everyday work to assist its customers and partners.**

## Our Purpose

### Supporting the green mobility shift

With a strong foundation and more than 40 years of involvement in the global car shipping market, Gram Car Carriers continues to be an essential and supportive partner to the automotive industry, as vehicles and their logistic chain transition towards a zero-emission future.

## Our Vision

### A leader in sustainable transport solutions to the global auto industry

GCC seeks to be the preferred vessel partner for operators of seaborne vehicle logistics all around the world. The Company collaborate with its customers to offer quality transport services while continuously reducing the carbon footprint of the worldwide supply chain for the automotive industry.

## Our Mission

### A trusted team with a strong Norwegian maritime heritage, ensuring safe, efficient and clean shipment of vehicles for operators worldwide

Gram Car Carriers aspires to provide customers worldwide with vessels and services that meet and exceed their expectations. A strong Norwegian maritime tradition helps us accomplish this while being open, truthful, and discrete when working as one team on land and at sea.

## Our Values

### Trustworthy, Innovative, Service-minded and Collaborative

Gram Car Carriers' values define how we as a business and as individuals should act and behave in daily operations and in interactions with our stakeholders. They represent our shared culture and serve as guiding principles for daily decision-making and for our long-term growth and value creation.

#### Trustworthy

We pledge to be a trusted partner delivering safe and environmentally sound operations so that our customers can move vehicles efficiently across the oceans. We are open, honest and treat everyone with respect. We only do what we truly believe is in the best interest of our customers.

#### Innovative

We endeavour to adopt and integrate innovative technology, solutions and behaviour to support the maritime and automotive industries, our customers and ourselves in becoming more effective and sustainable.

#### Service-minded

We aim to be the preferred long-term vessel provider to operators in the global and regional trades led by our dedication to providing a best-in-class service every day.

#### Collaborative

We cherish long-lasting relationships with our customers and seek ongoing collaboration with industry stakeholders as well as within our own highly motivated and skilled staff on land and at sea.



# History – A pioneer in global car shipping

**Gram Car Carriers was built over the last decades based on extensive experience and knowledge from the car shipping industry. Peter D. Gram started the activities 41 years ago (1982) when he acquired his first pure car carrier. Several other car carriers were bought over the following years and chartered out to the main car carrier operators. Peter D. Gram formed the predecessor company of Gram Car Carriers in 2006 to manage Gram’s car carrier investments.**

In 2007, the Company expanded with series of six Mid-size PCTC’s and four Distribution ships. A further new building programme was initiated in 2012, consisting of a series of four Panamax PCTC vessels.

In January 2022, Gram Car Carriers ASA listed on Euronext Growth in Oslo following a private placement of new shares raising the equivalent of USD 121 million in gross proceeds. The listing followed the completion of asset transactions with the former Singapore-based corporate structure and F. Laeisz on 25 January. At the same time, GCC refinanced most of its corporate debt and lease facilities. On 15 December 2022, GCC transferred to the Oslo Børs main market to reach an ever wider global investor base.

Throughout its history, Gram Car Carriers has increased its focus on sustainability. It is currently operating a modern, reliable and efficient fleet that seeks to minimise emissions and pollution with core values of high governance and health and safety.

## **Company structure**

The Company’s registered name is Gram Car Carriers ASA, while its commercial name is “Gram Car Carriers” or “GCC”. The Company is the parent company of the Group. The Company is a holding company, and the Group’s operations are carried out through its subsidiaries. See [note 21](#) of the annual report for more information.

# Executing strategy for high value creation

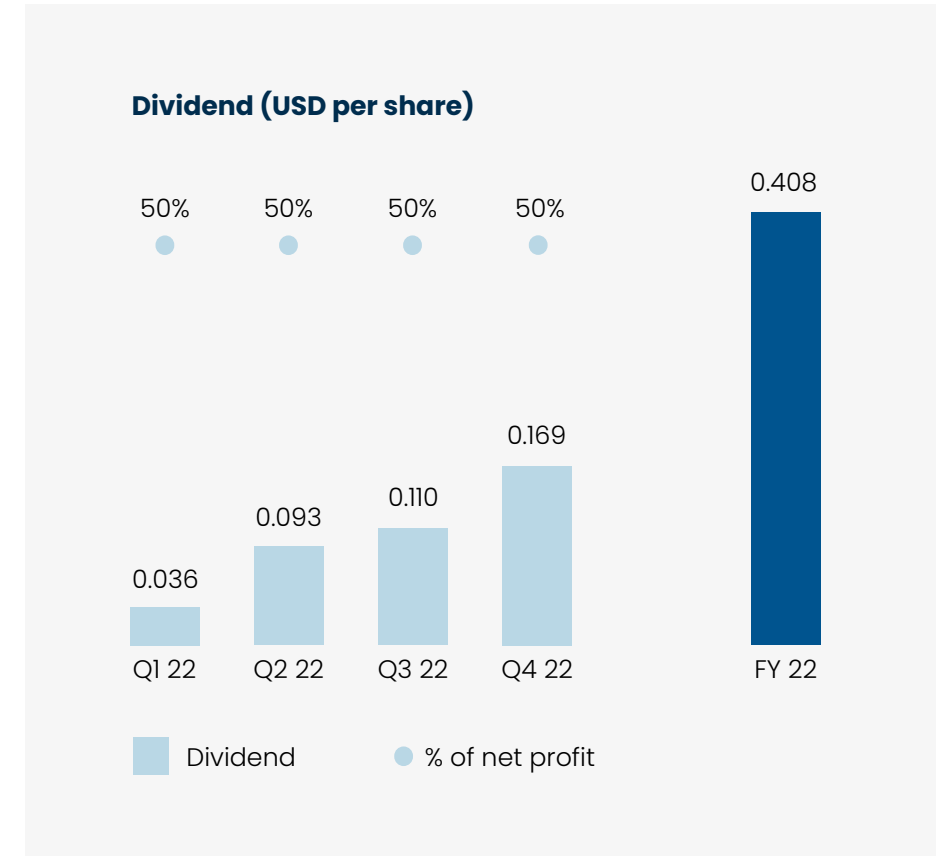
**Gram Car Carriers is developing its position as a substantial tonnage supplier to the world’s major operators of seaborne vehicle transportation. The Company has extensive expertise as a commercial manager, covering the whole market with vessels suited to all aspects of the trade, providing customers with a modern, reliable and efficient fleet with the latest design details and maximum cargo carrying capability to support the green mobility shift.**

The Company’s strategy and vision going forward is to recontract its fleet for longer term contracts. Throughout 2022, The Company has successfully secured longer charter contracts at increased dayrates as the vessels rolled off their former short-to-medium term charter contracts.

GCC seeks to be the preferred vessel partner for operators of seaborne vehicle logistics all around the world. The Company is dependent on keeping the fleet attractive and relevant for its customers and their needs, including providing fuel-saving and hull-optimising solutions, as well as cleaner technologies. To achieve this, the Company collaborates with its customers and seeks to offer quality transport services, while continuously reducing the carbon footprints of the worldwide supply chain for the automotive industry. GCC works actively together with its customers, classification societies, engine manufacturers and insurance companies to test and integrate such new technologies.

The Board of Directors and management comprise experienced industry professionals, supporting delivery on the long-term strategy. This includes a disciplined financial framework supportive of long-term value creation for all stakeholders and stable, attractive returns to shareholders.

This is reflected in a clear dividend policy of paying at least 50% of net profit in dividends on a quarterly basis.

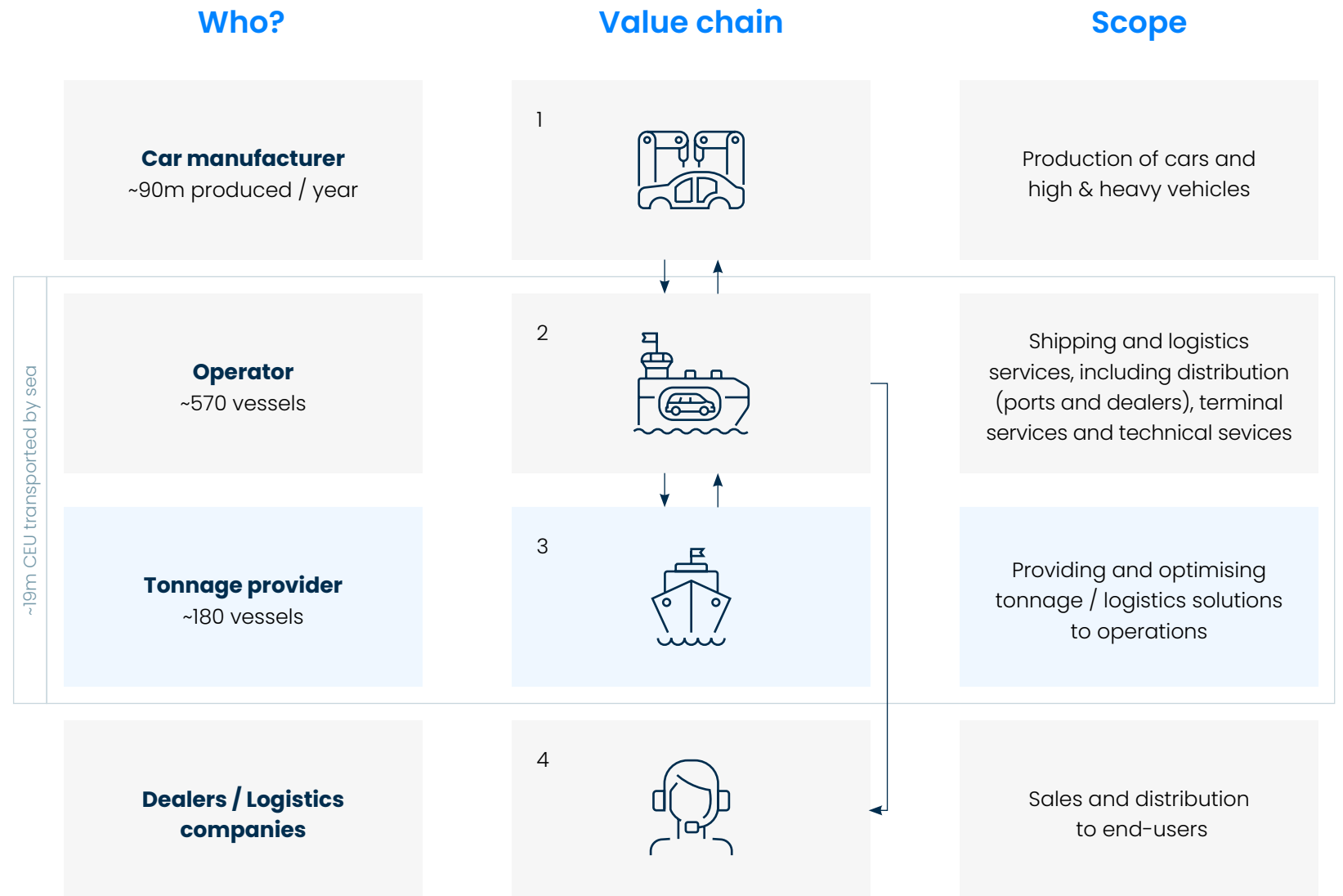


# Vessel and operations

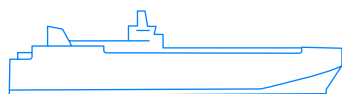
Gram Car Carriers is the third-largest PCTC tonnage provider in the world, with a modern fleet. The Company is the operator and commercial manager of 19 owned vessels. The Company is also the commercial manager of one existing vessel and four newbuildings scheduled for delivery in 2025/2026 on behalf of third-party owners. The fleet consists of modern fuel-efficient vessels combined with logistics solutions to ensure precise and safe shipment with maximised cargo capability.

To meet the specific needs of our operator customers, GCC provides highly advanced Distribution vessels, Mid-size vessels and Panamax vessels with a capacity of between 1,000 and 7,000 CEU.

The Company's vessels are all chartered out on time charter contracts, predominantly to well-established car carrier operators. Gram Car Carriers' customers enter into contracts with car manufacturers for the transportation of cars from production areas to market areas, and provide shipping and logistics services including distribution, terminal services and technical services to the car manufacturers and logistics companies.

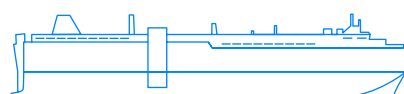


## Gram Car Carriers fleet



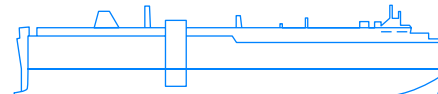
### Distribution vessels

GCC owns five Distribution vessels. Four were built at the Kyokuyo Shipyard in Shimonoseki, Japan and delivered during 2009 and 2010. These vessels mainly operate in European or Caribbean trades. The main features are an overall length of 140 metres, beam of 22.4 metres and twin medium speed engines with controllable pitch propeller (CPP) and shaft generator. The vessels have a capacity of about 2,000 CEU with one hoistable deck to accommodate high and heavy cargo. The fifth Distribution vessel has a capacity of 1,000 CEU and was built in 1996. This vessel is currently operating in Caribbean trades where there are substantial limitations on draft and port sizes.



### Mid-size vessels

GCC owns 10 Mid-size vessels. One was built at Shin-A in Korea, delivered in 2000 with a cargo intake of about 3,500 CEU and two hoistable decks. Six vessels were built at Nantong Heavy Industries in China and delivered between 2010 to 2012. They have a capacity of about 4,200 CEU and two hoistable decks. The last three vessels were built at Yangfan Shipyard in China, delivered in 2010 and 2012. They have a capacity of about 5,000 CEU and three hoistable decks. These vessels were built for world-wide trading and are mainly used in regional and North/South trades. GCC also commercially manages one 5,000 CEU vessel delivered in 2010, with three hoistable decks.



### Panamax vessels

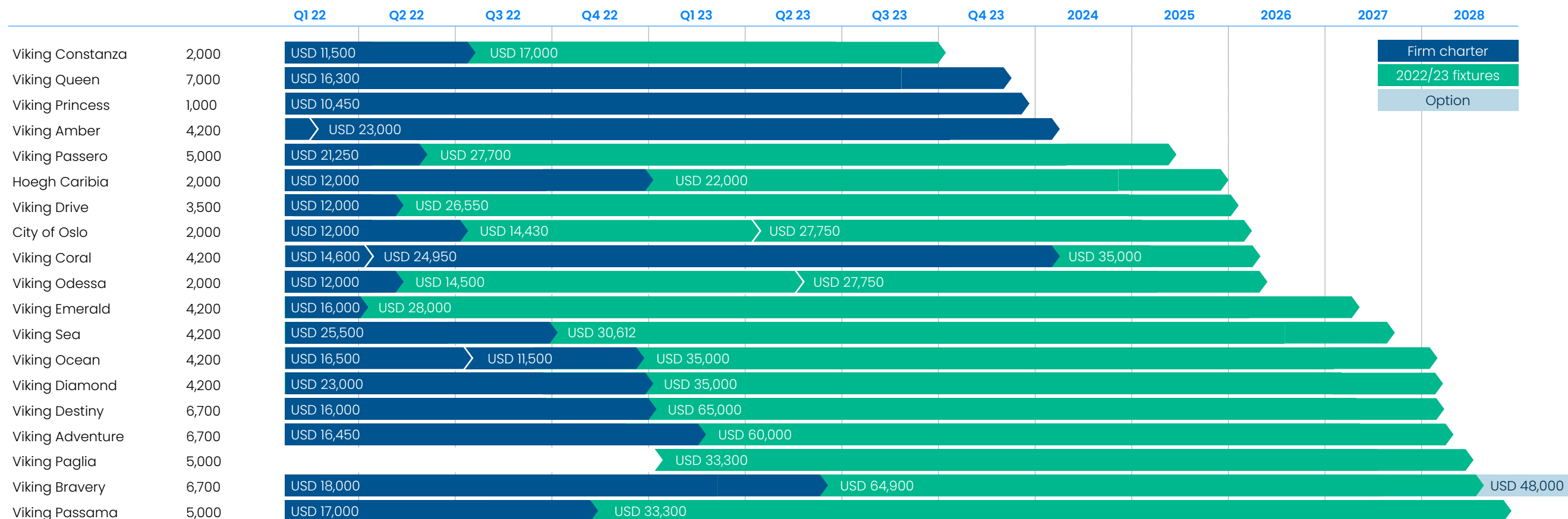
GCC owns four Panamax Pure vessels. Three were built at CSC Jinling Shipyard, with two delivered in 2015 and one in 2017. The vessels were designed and built to maximise cargo intake and minimise the fuel consumption. Main features are an overall length of 200 metres, beam of 32.26 metres (former max beam in Panama Canal) and HHI-built MAN B&W 6S60 ME-C8.2 Tier II main engine, e-type, giving better fuel economy and more flexibility in terms of adjusting speed. The vessels are built with single pillars and with four hoistable decks to accommodate high and heavy cargo. The vessel capacity is 6,700 CEU, and they are mainly used in East/West trade lanes. In addition, the Company owns a 7,000 CEU vessel with two hoistable decks built at Uljanik Shipyard in Croatia and delivered in 2007. GCC also commercially manage four 7,000 CEU dual fuel LNG newbuilds scheduled for delivery from 2025, all with four hoistable decks.

Name	Capacity	Type
Viking Princess	1,000 CEU	Distribution
Viking Odessa	2,000 CEU	Distribution
Höegh Caribbia	2,000 CEU	Distribution
City of Oslo	2,000 CEU	Distribution
Viking Constanza	2,000 CEU	Distribution
Viking Drive	3,500 CEU	Mid-size
Viking Amber	4,200 CEU	Mid-size
Viking Coral	4,200 CEU	Mid-size
Viking Diamond	4,200 CEU	Mid-size
Viking Emerald	4,200 CEU	Mid-size
Viking Ocean	4,200 CEU	Mid-size
Viking Sea	4,200 CEU	Mid-size
Viking Paglia	5,000 CEU	Mid-size
Viking Passero	5,000 CEU	Mid-size
Viking Passama	5,000 CEU	Mid-size
Viking Adventure	6,700 CEU	Panamax
Viking Bravery	6,700 CEU	Panamax
Viking Destiny	6,700 CEU	Panamax
Viking Queen	7,000 CEU	Panamax

## Contract overview

During 2022, the Company added a total of USD 923 million of revenue backlog by the signing of new contracts for the Company’s existing fleet and by the acquisition of three vessels with existing contracts. The revenue backlog at year-end 2022 amounted to USD 856 million with an average duration of 3.3 years per vessel. The average durations for the Mid-size and Panamax vessels are 4.1 and 4.2 years, respectively.

This provides good visibility on future revenue, profits, debt service and dividend capacity. As of the date of this report, the Company has added a further USD 61 million in backlog in 2023 with the fixing of the Distribution vessels Viking Odessa and City of Oslo, each for three years.



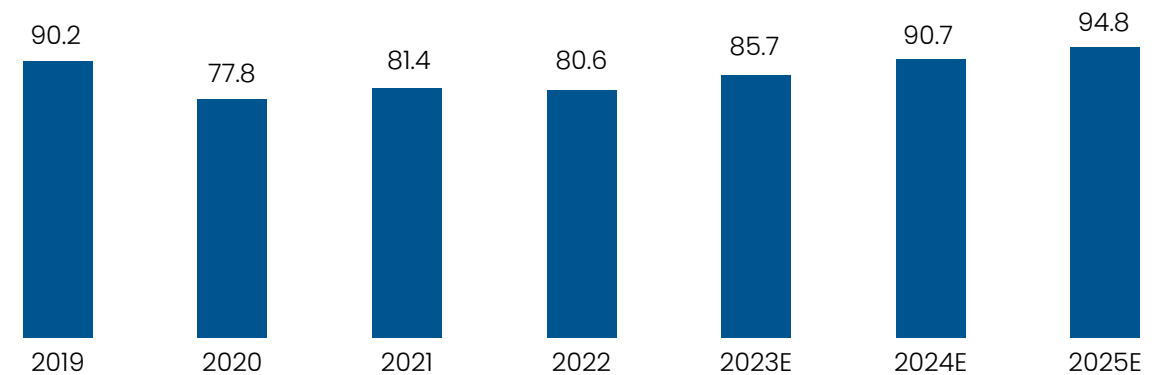


# Market overview

## Macroeconomic and auto trends

The development in global car sales has historically correlated with economic activity and global GDP growth. The IMF’s economic outlook from January 2023 forecasts a GDP growth of 2.9% in 2023 following 3.4% growth in 2022 amid high inflation and increasing interest rates. The most recent forecast for global light vehicles sales by LMC Automotive predicts 85.7 million units sold in 2023. This is decrease in the forecast from 90.7 million units at the start of 2022. Still, it indicates a 4.7% growth in car sales in 2023 compared to 2022. LMC forecasts that global car sales will exceed pre-Covid levels from 2024.

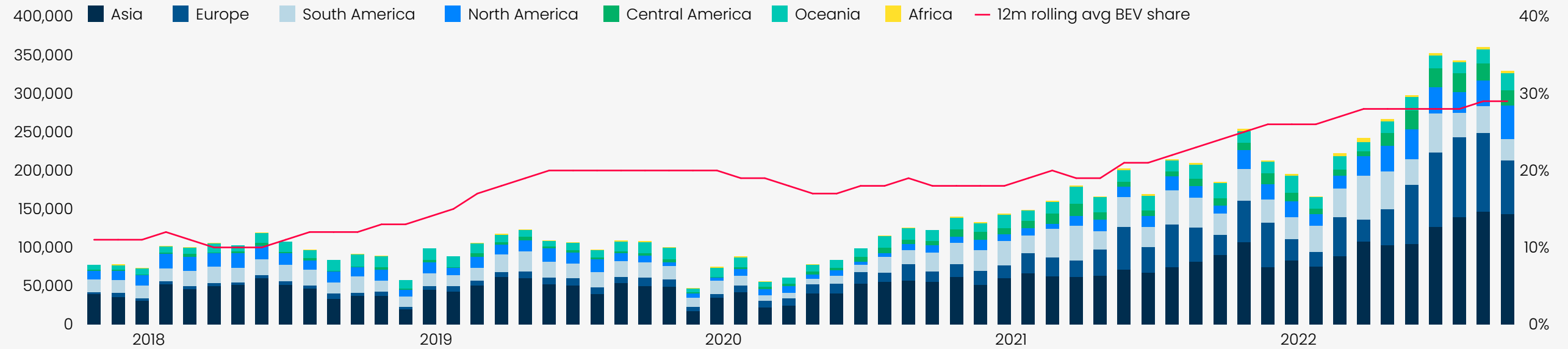
### Global light vehicles sales and estimates (Million units)



Source: LMC Automotive, 31 December 2022

In 2022, Chinese auto exports totalled 3.25 million vehicles, an increase of 57% compared to 2021. Monthly exports exceeded 350,000 units towards the end of the year. The battery electric vehicle (BEV) share was 29% in 2022, up from 24% in 2021. In the fourth quarter 2022, the EV export share was 34%. As a comparison, the December exports from Korean and Japanese auto manufacturers were 266,000 and 458,000 units, respectively. China has become the third-largest vehicle exporter in the world, behind Japan and the EU.

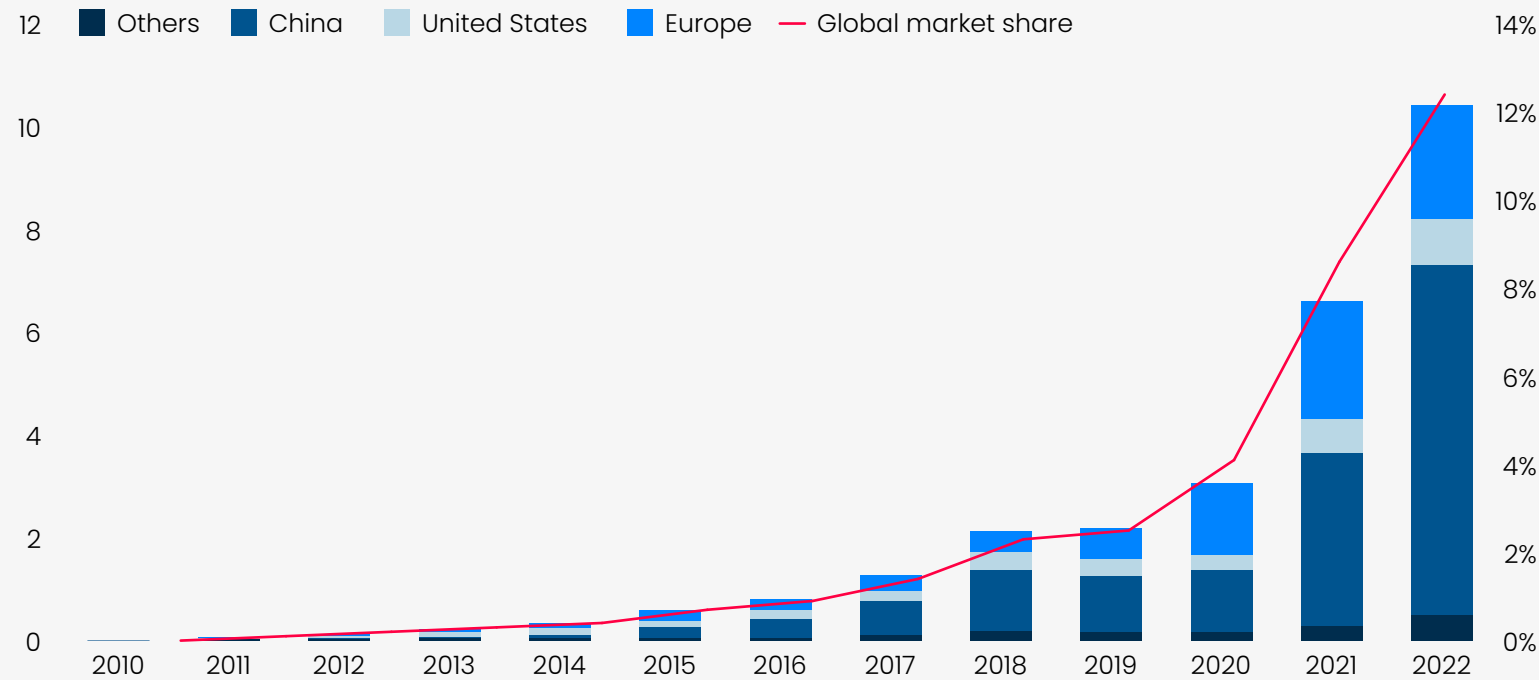
### Chinese auto exports (units)



Source: Global Trade Tracker (GTT)



### Global electric vehicle sales (Million units) <sup>1</sup>



<sup>1</sup> Source: Source: IEA, Company Information, Customs Data, China Association of Automobile Manufacturers

The electrification of the global car fleet continues at a high pace. In 2022, China accounted for more than 50% of global BEV sales. Chinese exports of BEVs increased almost 90% to more than 945,000 units, according to Global Trade Tracker. The continuing Chinese export growth is positive for the car carrier market, as seaborne volumes are increasing. Substantial local investment 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. IEA expects global EV sales to reach 60% of total car sales by 2030 in their “Net Zero Emissions by 2050” scenario.

Supply disruptions impacted auto sales in major markets in 2022, primarily due to production cuts in Japan and South Korea.

The Russian invasion of Ukraine in 2022 had some immediate impact on short-sea traffic in Europe. However, the reduced activity in Black Sea and Baltic car trades has gradually been compensated by increasing feeder requirements for cargo originating outside Europe, and the easing of supply disruptions. At year end, the impact of Covid-19 on global vehicle production was limited. Still, follow-on effects such as labour shortages in ports, as well as underinvestment in inland transportation infrastructure, continued to have a negative impact on fleet efficiency.

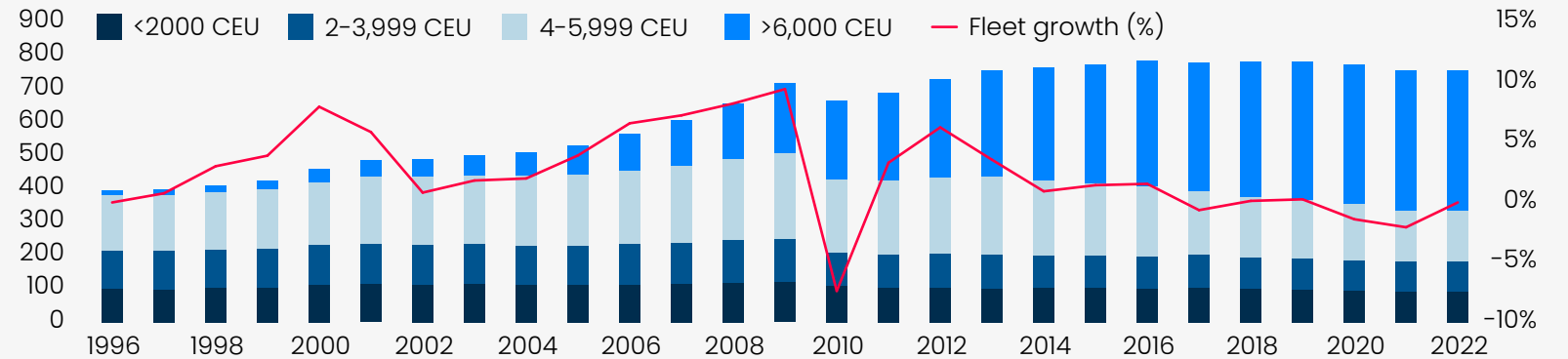
## Fleet development

Following several years of negative fleet growth in the PCTC market, the current situation with significant undercapacity has led to an increase in orders for new car carriers. However, the majority of the current orderbook of 132 vessels will only start to materially impact on supply from 2025 onwards. Of the current PCTC fleet, 147 of the vessels are older than 20 years.

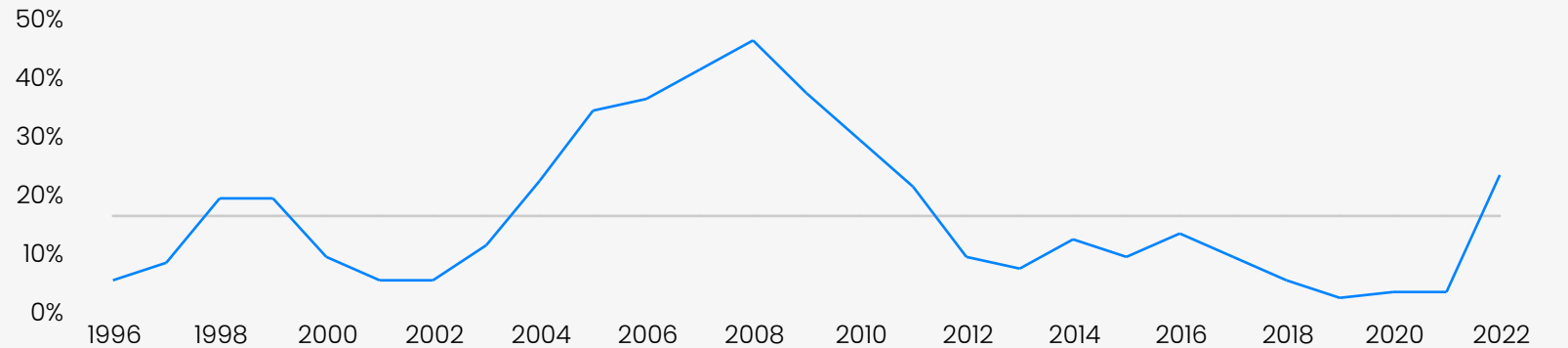
The global car carrier fleet amounted to 757 vessels on 31 December 2022, according to Clarksons. The global order book was 24% of the current capacity. This is above the historical average of 17%. The delivery schedule of the current PCTC order book is expected to be insufficient to meet the estimated demand, at least through 2025.

The global fleet controlled by PCTC tonnage providers amounted to 180 vessels at the end of the year, unchanged from 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.

**Historical fleet development (Number of vessels)<sup>1</sup>**



**Orderbook as percent of fleet<sup>1</sup>**



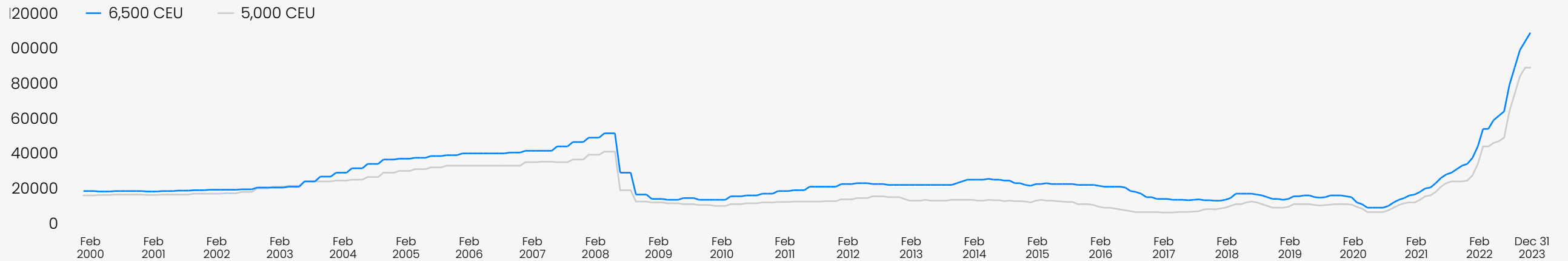
<sup>1</sup> Source: Clarksons Research

## Time charter rates

In 2022, the combination of increased demand and limited vessel supply led to a significant increase in time charter rates.

The 12-month TCE contract rate for Panamax vessels was estimated at USD 110,000 per day at year-end 2022, up from USD 35,000 per day a year earlier, according to data from Clarkson. The 12-month TCE rate for Mid-size vessels was assessed at USD 90,000 per day, up from USD 25,500 per day a year earlier. The Company estimates the 12-month TCE for Distribution vessels was at USD 25,000 per day, up from USD 15,000 per day at the start of the year.

**Historical time charter rates (USD/day) Source: SIN Clarksons**



# Executive Management



**Georg A. Whist,**  
Chief Executive Officer

Mr. Whist has been the CEO of Gram Car Carriers since 2018. Prior to this, Mr. Whist held the position as CFO in Hafnia Tankers ApS in Copenhagen following 18 years with Nordea Bank as SVP and Head of Europe, Asia & Middle East of Nordea Bank's Shipping, Offshore and Oil Service division.



**Gunnar Koløen,**  
Chief Financial Officer

Mr. Koløen joined Gram Car Carriers as CFO in January 2021, after serving as CFO and Managing Director at Dolphin Drilling (Singapore). Mr. Koløen also held the position as General Manager of Gram Car Carriers (Singapore) 2009-2011 and served as a Director of the Company from 2012 to 2020. Gunnar started his professional career with KPMG and is a State Authorised Public Accountant from Norway.



**Børre Mathisen,**  
Chief Operating Officer

Mr. Mathisen joined Gram Car Carriers in 2013. Mr. Mathisen previously worked at Hoegh Autoliners from 1996 where he held various positions, including two periods in Japan in charge of commercial operations in East Asia.



**Mas Gram,**  
Head of Projects and IR

Mr. Gram joined Gram Car Carriers in 2013. Mr. Gram previously worked for Tankers international (VLCC pool) and Tufton Oceanic (Fund Management company) in London, before Pareto Securities (corporate finance) in Singapore.

# Board of Directors



**Ivar Myklebust**  
Chair of Board

Year of birth, residence

1967, Norway

Director since

2021

Shareholding

33,000 as at 31 December 2022

Mr. Myklebust is the CEO of OMP Capital AS. He has previously served as both CEO and CFO of Höegh Autoliners, and CFO of D/S Norden. Mr. Myklebust has also held board positions as chair of Havyard Ship Technology; board member of the Norwegian Shipowner's Mutual War Risk Insurance Association (DNK); Euro Marine Logistics NV and OMP Capital A/S. His background also includes 12 years of credit, investment banking and financial restructuring in Nordea and Pareto Securities. Mr. Myklebust holds a MSc degree and post-graduate studies from the Norwegian School of Economics and Business Administration (NHH), and a BA degree in political science from the University of Oslo.



**Nikolaus H. Schües**  
Vice Chair of Board

1965, Germany

2022

7,945,229 as at 31 December 2022

Mr. Schües is the principal and CEO of F. Laeisz and has been nominated by F. Laeisz to the Board of Directors. Mr. Schües is Designated President of BIMCO, Vice Chair of UK P&I Club and Member of the Presidential Committee of German Shipowners Association. He holds an MBA from Instituto de Empresa (IDE), Madrid and a BSc (Hons) in Economics from the University of Buckingham, UK.



**Alasdair Locke**  
Board Member

1953, Scotland

2021

1,938,782 as at 31 December 2022

Mr. Locke is the Chair of Motor Fuel Group and Non-Executive Chair of Well-Safe Solutions Ltd. He is the former Executive Chair of Abbot Group plc, an oil services company which he founded in 1992. Mr. Locke holds an MA (Hons) in History and Economics from Wadham College Oxford.



**Dr. Gaby Bornheim**  
Board Member

Year of birth, residence  
Director since  
Shareholding

1966, Germany  
2022  
-

Dr. Bornheim is Managing Director of Peter Döhle Schiffahrts KG. In the past she was inhouse counsel for Deutsche Shell AG and MobilOil AG. Gaby is President of the German Shipowners Association. She studied economics and law at Westfälische Wilhelms-Universität Münster, Germany and passed her second state exam before the Higher Regional Court of Hamburg, Germany.



**Clivia Breuel**  
Board Member

1979, Germany  
Director since: 2022  
AL Maritime Holding holds 2,686,706  
as at 31 December 2022

Clivia Breuel (née Bunnemann) is a partner of AL Capital Holding GmbH & Co. KG, a diversified and family owned shipowning group and parent company of AL Maritime Holding. She is Chair of the Board of the PBS Foundation. She has long experience in both shipping and banking and holds a master's degree in Business Studies from the EBS Business School Oestrich-Winkel.



**Christine Rødsæther**  
Board Member

1964, Norway  
2021  
18,745 as at 31 December 2022

Christine Rødsæther has since 2002 worked as a lawyer and partner of the law firm Simonsen Vogt Wiig AS. Furthermore, she is a board member in Odfjell SE and Tufton Oceanic Assets Limited, and Mrs. Rødsæther has previously acted as board member in Norwegian Guarantee Institute for Export (GIEK), Grieg Shipping, Songa Bulk ASA and Bank Norwegian ASA. She has extensive experience in international shipping and offshore transactions, banking and finance and general contract law. Mrs. Rødsæther has previous experience as lawyer from Wikborg, Rein & Co. including the London office and Andersen Legal ANS. She holds a Master of Law from the University of the Pacific, Sacramento, California and Cand. Jur. from the University of Bergen



### Nils Kristoffer Gram

#### Board Member

Year of birth, residence  
Director since  
Shareholding

1976, Norway

2021

2,800 as at 31 December 2022

Mr. Gram is currently Partner and Investment Director in Vanir Green Industries, an energy transition focused investment company. He is a board member of several private companies related to energy transition and circular economy, and has previously acted as board member of Element ASA. Mr. Gram has over 20 years' experience from consulting, investment banking and investments, having been CEO of ProCorp AS, MD of Gram Shipping AS, a Partner in Pareto Securities AS, and consultant in Capgemini Consulting.



### Mr. Nicolaus Bunnemann

#### Alternate member of the Board

1981, Germany

2021

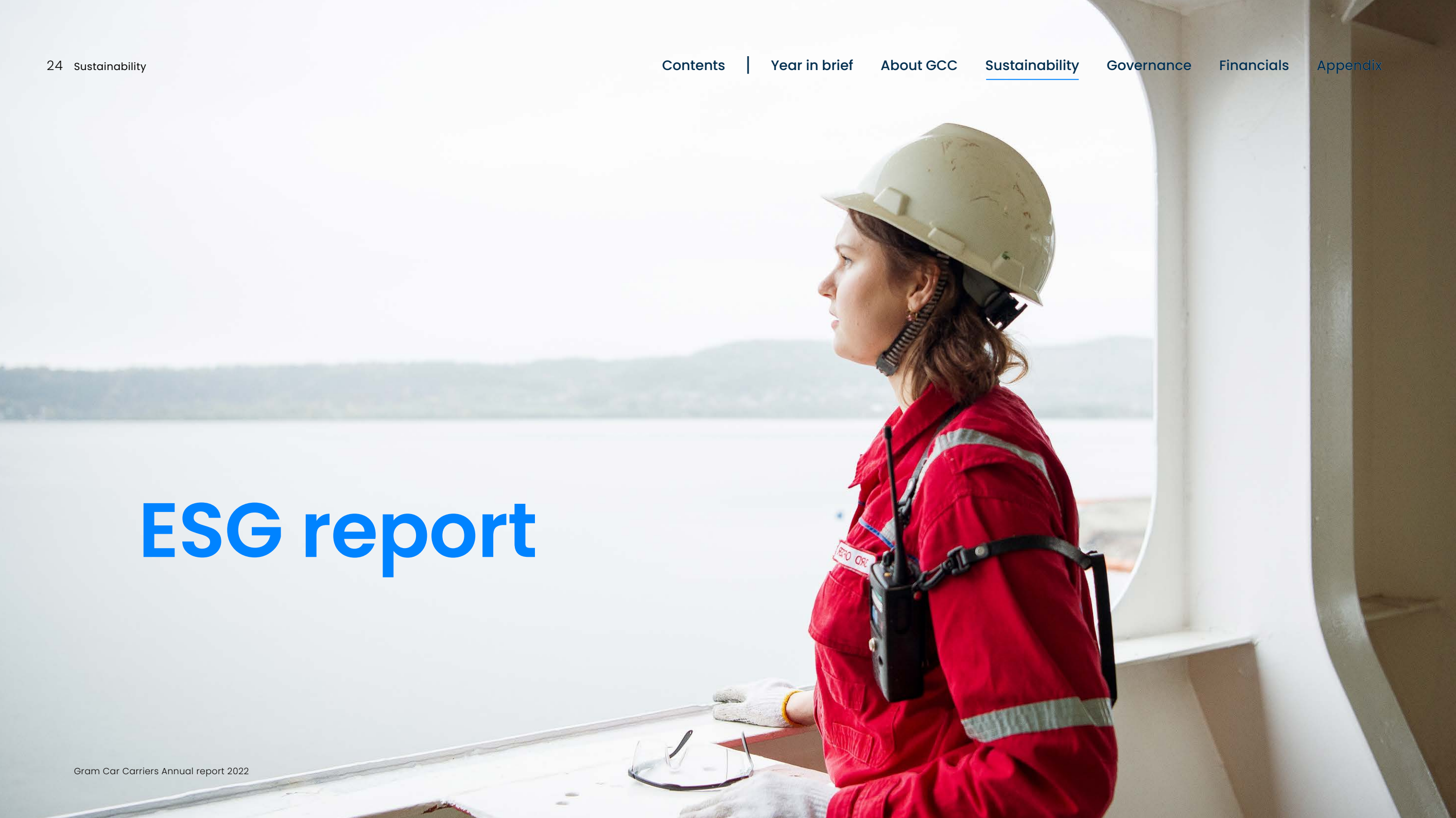
AL Maritime Holding holds 2,686,706 as at 31 December 2022

Mr. Bunnemann is the managing partner of AL Capital Holding GmbH & Co. KG, a diversified and family owned shipowning group. He is the founder and managing director of Atlantic Lloyd GmbH & Co. KG, the Group's operating arm in Hamburg, Germany. Mr. Bunnemann is a member of the board of the German Shipowners' Defence Association as well as board member of a number of maritime investment companies and holds a master's degree in Shipping, Trade and Finance. He was nominated to the Board by AL Maritime Holding.

### Committees

Name	Gender	Role
<b>Audit Committee</b>		
Nils Kristoffer Gram	M	Chair
Nikolaus H. Schües	M	Member
Ivar Hansson Myklebust	M	Member
<b>Nomination Committee</b>		
Erik A. Lind	M	Chair
Hannes Thiede	M	Member
Olav Kristian Falnes	M	Member
<b>Remuneration Committee</b>		
Christine Rødsæther	F	Chair
Alasdair Locke	M	Member
Dr. Gaby Bornheim	F	Member
Clivia Breuel	F	Member

# ESG report





# Key performance indicators

GHG emissions  
(Mt CO<sub>2</sub>e, owned vessels, Scope 1)<sup>1</sup>

**499,176**

LTIF  
(Zero marine casualties)

**1.1**

Fines or significant  
environmental incidents

**0**

Sailing distance  
(nm, owned vessels)

**1,689,099**

Number of owned vessels  
in fleet (as at 31/12/2021)

**19**

Average age of fleet  
(years)

**12.8**

<sup>1</sup> Scope 1: GHG Protocol – Approach: Financial Control



# About this report

This report presents the environmental, social and governance (ESG) performance of Gram Car Carriers ASA for the period 1 January to 31 December 2022. The report has been prepared to meet the SASB Marine Transportation Standard (2018) and follows The Norwegian Shipowners' Association's ESG Reporting Guidelines (2021), referencing the GRI Standards (2021).

Gram Car Carriers ASA is listed on Euronext Oslo Børs with the ticker-code "GCC".

For further information contact [mail@gramcar.com](mailto:mail@gramcar.com)



This Report complies with the SASB Marine Transportation Standard (2018) and The Norwegian Ship Owners' Association ESG Reporting Guidelines 2021

# A message from our CEO

**“Gram Car Carriers has a strong foundation. With more than 40 years of involvement in the global car shipping market, we are an essential and supportive partner to the automotive industry as both vehicles and their logistics chain transitions towards a zero-emission future.”**



We have a vision of being a leader in sustainable transport solutions to the global auto industry. This commitment is reflected in our mission, values and shared culture which serve as guiding principles for daily decision making and for long-term growth and value creation.

As part of delivering on our long-term strategy, we are actively preparing for the implementation of new regulations and reporting frameworks measuring our environmental, social and governance performance. We are ready to report the International Maritime Organization’s Carbon Intensity Indicator (CII) and are prepared for the inclusion of maritime shipping in the EU’s Emission Trading Scheme.

In 2022, we continued to work on reducing greenhouse gas emissions. This included ongoing biofuel trials, energy efficiency initiatives and the development of decarbonisation plans for each vessel in our fleet. We maintained our record of zero significant spills and progressed the installation of ballast water treatment systems on our vessels according to plan.

We assessed our climate-related risks and opportunities in line with Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. Furthermore, as required under the Norwegian Transparency Act, we executed a due diligence process to identify and manage human rights risks in our value chain. Our TCFD and Transparency Act Statements are presented in the appendix of this report.

There were no serious marine casualties or fatalities in the year as we maintained our unwavering focus on creating a safe work environment for our crews and supporting their well-being. I am deeply concerned by the war in Ukraine and its humanitarian consequences. The war is impacting our Ukrainian seafarers and their families. In response, we have established a financial hardship allowance for crew members and set aside further funds to assist them in 2023. Our priority is to support our seafarers and their families.

I would like to take this opportunity to thank our hard working and dedicated colleagues and partners for their continuous contributions to these important efforts. I invite you to read our ESG report and welcome your feedback.

# About Gram Car Carriers

**Gram Car Carriers ASA (“the Company” or “GCC”, together with its subsidiaries the “Group”) is the World’s third-largest car carrier tonnage provider, with a strong industry name having been engaged in car carrier investments since 1982. The Company provides modern fuel-efficient vessels and logistics solutions to operators, enabling precise and safe shipment with maximized cargo capability.**

GCC is the operator and commercial manager of 19 owned vessels. The company is also the commercial manager of one existing vessel and four newbuildings owned by Global Auto Carriers (GAC), which is currently building four 7,000 CEU dual fuel Pure Car Truck Carriers (PCTC) in China with options for two additional vessels.

Crewing and ship management for the vessels owned and managed by the Company is outsourced to reputable service providers on a contractual basis. Service providers must meet the GCC’s ESG standards and requirements. The routing of vessels, choice of port and time in port is generally the choice of the Company’s clients, with GCC having limited influence over fuel consumption and emissions.

GCC has an extensive and long history of chartering vessels to all major global operators and key regional operators worldwide. The Company’s headquarter is in Oslo, Norway, with a branch office in Singapore. The Company’s shares are listed on Euronext Oslo Børs under the ticker-code “GCC”.

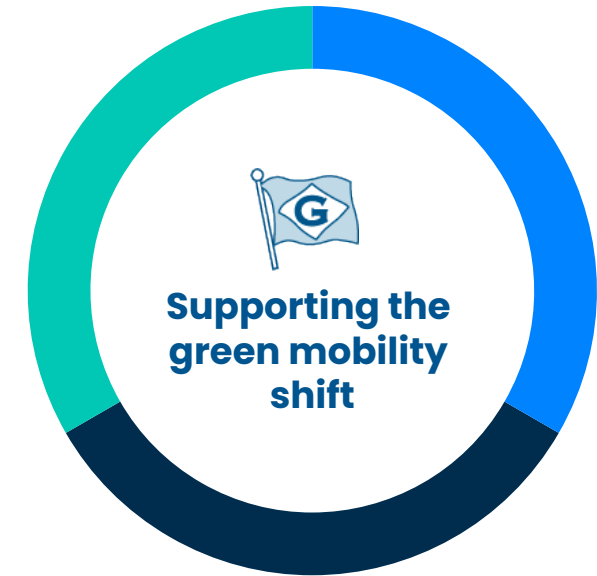
## Supporting the green mobility shift

Gram Car Carriers’ culture is built on a strong sense of purpose supported by the Company’s vision, mission and values, which influence how the Company carries out the everyday work to assist its customers and partners.

## The GCC sustainability framework

The Company focuses on environmental, social and governance (ESG) performance, including formalising how it measures, manages and reports on material ESG topics. The specific material topics have been assessed with an external sustainability expert’s assistance and serve as the focus areas of this report. GCC seeks to provide relevant, financially material, and industry specific ESG information to its stakeholders, with whom the Company engages in continuous dialogue.

In 2022, GCC focused on implementing environmental initiatives that support decarbonisation ambitions, as well as putting emphasis on the wellbeing of the vessel crews given the current geopolitical situation.



## Environment

- GHG emissions
- Air emissions
- Fuel efficiency
- Ecological impacts
- Ship recycling

## Social

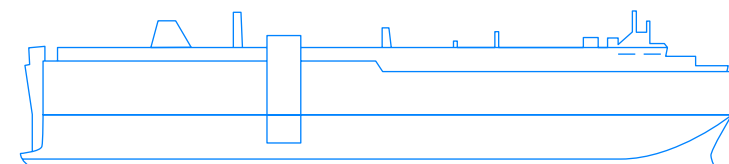
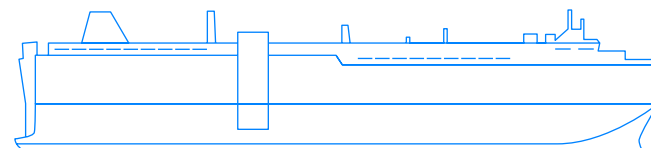
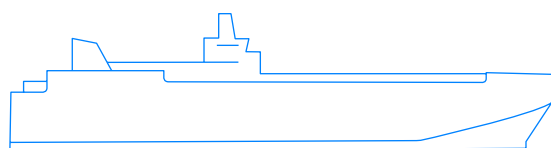
- Health and safety
- Diversity
- Human rights
- Developing human capital

## Governance

- ESG governance
- Conduct, ethics and anti corruption
- Data privacy and cyber security

# Fleet Description

## Diversified fleet of 19 owned PCTCs



**5** Distribution vessels

(up to 2,000 CEU)

**10** Mid-size vessels

(up to 5,000 CEU)

**4** Panamax vessels

(up to 7,000 CEU)

### Third party vessels

**1** Mid-size (Mediterranean Sea)

**4** Panamax newbuilds and 2 options for Global Auto Carriers

# Environment

## GHG Emissions

Gram Car Carriers is committed to reducing greenhouse gas (GHG) emissions to meet International Maritime Organization (IMO) intensity targets of at least 40% reduction by 2030 and pursuing efforts towards 70% reduction by 2050, compared to 2008.

The Company seeks to reduce its total GHG emissions by at least 50% by 2050, compared to 2008. In 2023, the IMO intends to revise its emission reduction targets to reflect increased ambitions. The revision is expected to be followed by new regulations, including requirements supporting the use of green shipping fuels as well as market-based pricing of carbon emissions. On a regional level, the EU's legislative bodies recently agreed on a regulation aiming to increase the uptake of greener fuels in the maritime sector (FuelEU Maritime), as well as the inclusion of maritime shipping into the EU Emission Trading System (EU ETS). The Company is closely monitoring these developments and plans to align investments and targets with the upcoming regulations.

GCC expects to achieve the targeted GHG reductions in line with the Company's long-term decarbonisation plan through its ongoing biofuel trials and the introduction of individual vessel decarbonisation plans with defined actions.

In 2022, Scope 1 GHG emissions increased due to a larger fleet and increased vessel utilisation. The carbon intensity indicator increased due to post COVID-19 restrictions and logistics backlogs, leading to additional waiting time, extended lay-ups and variable sailing speeds.

Emissions from owned vessels	2022	2021	2020
Scope 1 GHG Emissions (metric tonnes CO <sub>2</sub> e)	470,969	378,749	251,594
Carbon Intensity Indicator (CII) (g CO <sub>2</sub> e / t.nm)	8.26	7.16	6.91

## Successful biofuel trials

GCC have conducted biofuel trials on the City of Oslo and Viking Constanza in cooperation with Euro Marine Logistics. During the trials, the vessels operated successfully without technical issues while using two different grades of biofuel. The Company is in the process of obtaining permanent class approval for the use of biofuel on these vessels. The use of biofuel has shown to reduce carbon emissions by up to 90%.

## Poseidon Principles

Gram Car Carriers is a foundation signatory to the Poseidon Principles – a global framework for responsible ship finance. The Poseidon Principles provide a framework for integrating climate considerations into lending decisions to promote international shipping's decarbonisation.



## EU ETS for shipping

The Company is closely monitoring the development of the new EU emissions trading scheme (ETS) for shipping, scheduled for implementation in 2024, subject to final adoption expected in 2023. The cap-and-trade system aims to reduce GHG emissions by setting a limit, or cap, and will apply to all voyages and port calls within the EU/EEA, and to 50% of emissions on voyages into or out of the EU/EEA. It is therefore likely to have a direct impact on the Company's operations.

### Climate risk

Risk management is an integrated part of daily operations and management processes. Every year, enterprise risks, including climate risks, are formally presented by management to the Board of Directors based on input from technical managers and consultants. Climate-related risks include both physical risks such as weather disruption and vessel handling and transitional risks such as regulations and customer requirements.

The Company follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and has summarised these disclosures below. For a more comprehensive overview of the climate risk governance, please refer to the TCFD statement in the Appendix to this report. GCC also monitors the developments of the Task Force on Nature-Related Financial Disclosures (TNFD) and will adapt to it accordingly.

### Governance

Climate-related risks and opportunities are regularly reviewed by the Board of Directors as part of its overall responsibility for risk governance. The Board receives updates on climate risks, emerging regulations, developments in the Company's performance relative to the decarbonisation strategy, emissions reduction trajectories, and technological developments.

### Strategy

Gram Car Carriers has undertaken a climate risk review and analysis to understand how climate risks and opportunities are likely to impact the business, its strategy and financial planning. By using information from these sources and the ongoing monitoring of GHG emission performance across the

fleet, Gram Car Carriers believes it is well positioned to absorb, mitigate or adapt to climate-related risks; and, in some cases also capture available opportunities.

### Risk management

Climate risk identification is incorporated into the general risk management and internal control system. The Board receives regular updates on relevant potential risks as part of the risk management system.

### Targets and metrics

The Company measures its total GHG emissions (Scope 1) in CO<sub>2</sub> equivalents by applying the IMO CII Carbon Intensity Indicator, and the Average Efficiency Ratio (AER) is measured and reported as grams of CO<sub>2</sub>e per deadweight nautical ton-mile.

### Air emissions

Since 1 January 2020, The Company has complied with the IMO's reduced Sulphur fuel content requirement, lowering the upper limit from 3.5% down to 0.5%. In 2022, GCC maintained a level below 0.496%. By using cleaner fuels, the Company is not required to install scrubber devices on its owned vessels.

Emissions from owned vessels	2022 <sup>1</sup>	2021 <sup>2</sup>	2020
SO <sub>x</sub> emissions (tonnes)	7,915	5,891	3,570
NO <sub>x</sub> emissions (tonnes)	12,812	11,266	7,109
Particulate matter (tonnes)	1,202	1,412	872

<sup>1</sup> Emissions have increased due to a larger fleet and increased vessel utilisation.

<sup>2</sup> Emissions increased significantly due to increased activity after Covid restrictions were lifted.

### Energy efficiency

The Company is investing in fuel efficiency initiatives that optimise speed, performance and energy use to reduce GHG emissions:

- Low-speed efficient bulb design
- New efficient propeller design
- Anti-fouling reducing hull resistance
- Energy saving vessel operation

GCC plans to invest in shore power connections on all deep-sea vessels by 2024. Depending on shore power availability, the GHG reduction potential from this initiative is between 2% and 5%. To optimise operations, the Company is also investigating variable engine speed options for vessels that have four stroke engines.

	2022	2021
Total amount of energy consumed (GJ)	7,069,178	6,194,025
Percentage of energy consumed coming from heavy fuel oil (vs. renewable)	99.77%	99.75%

**Case study**

**Individual vessel decarbonisation plans**

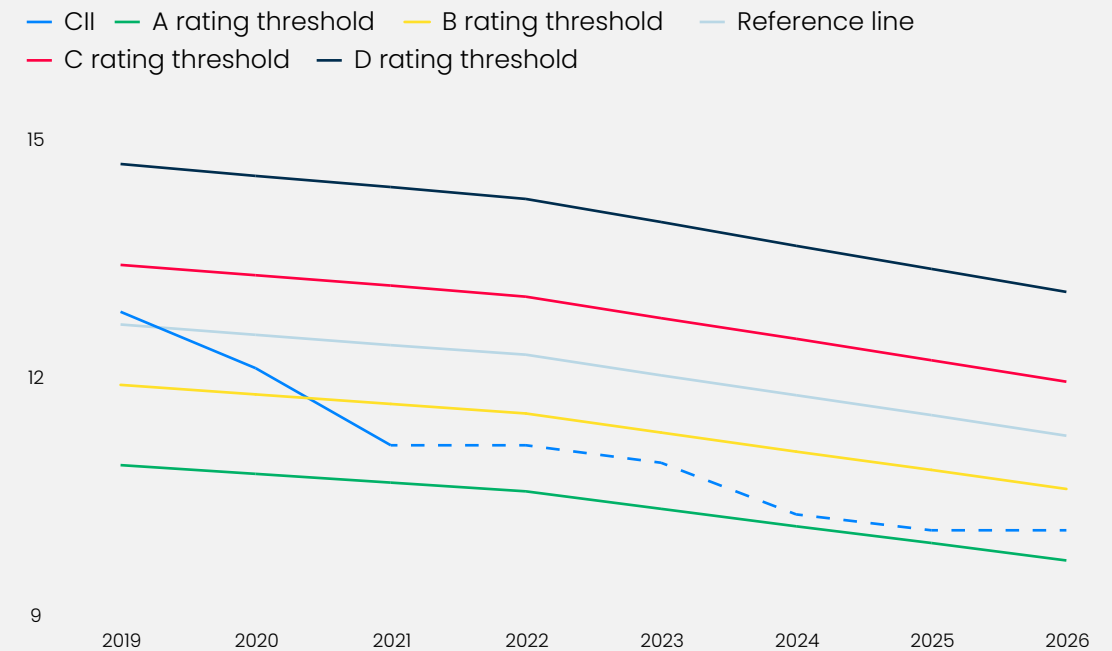
In 2022, GCC established decarbonisation plans for each of its vessels together with DNV. The plans are based on maintaining a CII C rating or better throughout the lifetime of each vessel. Regulations are likely to change before end-of-life for several of the vessels and regular reviews of each plan will be undertaken to assess current operation and any re-alignment required to meet updated specifications.

The Company will seek to implement several of the operational measures detailed in each of the decarbonisation plans in collaboration with the vessel charterers. A 6% GHG reduction due to operational measures is assumed for all vessels. Such measures represent a cost-efficient solution for reducing GHG emissions through material fuel savings and limited investments.

Additionally, a low friction silicon paint will be tested on the Viking Sea. The Company will compare the vessel's emissions to one of the sister ships with a similar operational pattern to assess the efficacy of the paint. If positive results are achieved, the paint will be applied to the remaining fleet as appropriate.

**Reduction plan – CII**

Carbon intensity (gCO<sub>2</sub>/capacity-mile)





## Ecological impacts

### Operating to the highest environmental standards

GCC’s fleet of modern and fuel-efficient vessels are operated to the highest environmental standards in line with the Company’s Environmental commitments, stated on our website.

The Ballast Water Management Convention (BWMC) requires that all ships from 2024 have an approved ballast water management treatment system, according to the so-called “D2 standard”. This is implemented to reduce the risk of spreading invasive species through the discharge of ballast water. At year-end 2022, installation was completed on 84% of the GCC fleet. The three remaining vessels will have operational systems installed in 2023 and 2024.

	2022	2021	2020
Significant spills	0	0	0
Ballast water treatment system installation (% of vessels)	84%	38%	38%
Environmental incidents or fines	0	0	0
Onboard waste generated (metric tonnes)	766	904	Not reported

### Responsible ship recycling

GCC follows the EU ship recycling regulation and the Hong Kong convention for the safe and environmentally sound recycling of ships. No vessels have been recycled the past three years (2020–2022). The Company’s Ship Recycling policy states the Company’s commitment to responsible recycling of ships, thereby safeguarding the environment, human health and safety. The same commitment applies to all the subsidiaries within the Group. The policy is available on [our website](#).

When appropriate, GCC aims to sell its vessels to responsible buyers that commit to green scrapping which meets all relevant laws and regulations to support circular economy practices in the shipping industry. The Company inspects the yards it works with every five years and applies contractual clauses that support responsible ship recycling.

# Social

## Health and safety

The safety of our people is of utmost importance. The Company is committed to seeking zero harm by maintaining a safe environment and protecting people’s health and operates all vessels in accordance with the Health & Safety Policy.

GCC has established a set of clear health and safety principles to guide its operations:

- Commercial considerations will never come before the safety considerations of personnel
- Ensure all our operations are undertaken with due regard to safety requirements
- Personal incidents are unacceptable and should be always prevented
- We consider regulatory requirements to be a minimum standard.

	2022 <sup>1</sup>	2021	2020
Lost Time Incident Rate (LTIR)	1.1	0	0
Marine casualties (no. of incidents)	0	0	0
Sickness absence % (GCC only)	1.9	na	na

<sup>1</sup> Injury and sickness rates increased from their artificially low levels after Covid 19 restriction were lifted

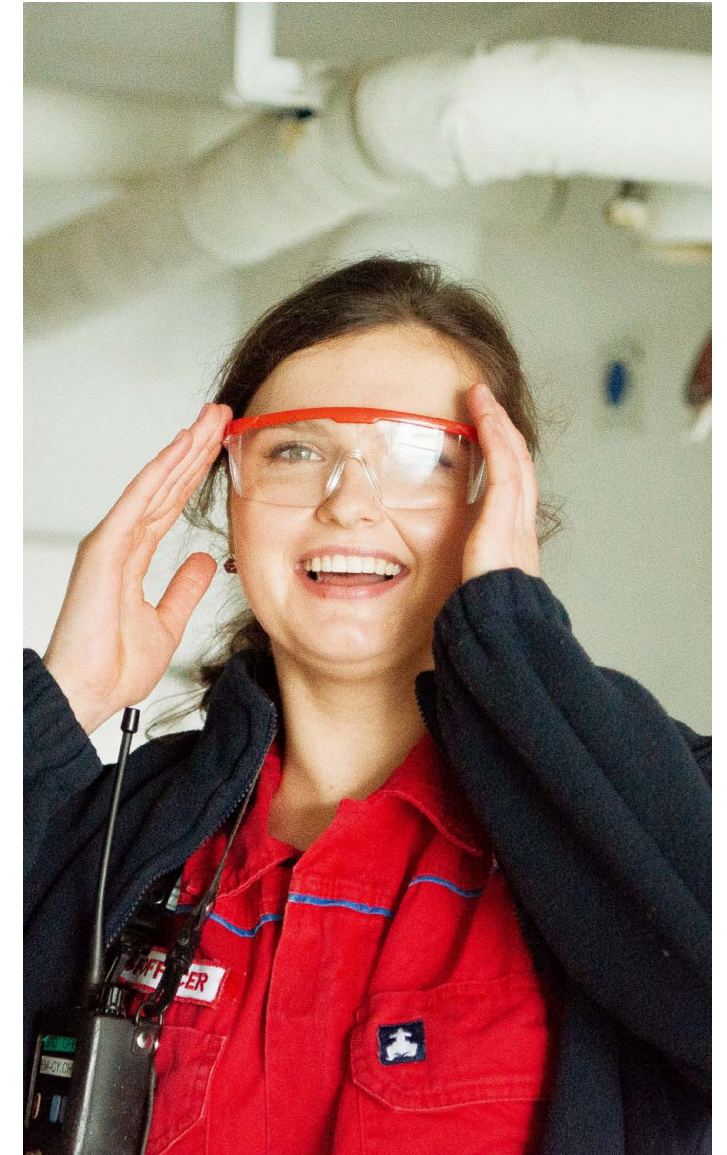
## Developing human capital

The Company aims to be an employer of choice and commits to developing the capabilities, skills and competencies of its workforce. Providing employees with constructive training programs supports human capital growth and retention.

From onboarding and induction, through to formal and on-the-job training, GCC views the investments in training and development as essential to creating a continuous learning opportunity for employees.

	Male	Female
Onboard - average hours of training per employee	7.8	8.1
Onshore - average hours of training per employee	26.7	26.6

	Male	Female
Percentage of onshore employees receiving regular performance and career development reviews.	100%	100%



## Case study

# Support for Ukrainian Seafarers

### Supporting our crews and their families in difficult times

Approximately 58% of the seafarers onboard the GCC fleet are Ukrainian nationals. Following the Russian invasion of Ukraine in February 2022, the Company established a hardship allowance to provide financial support for these crew members and their families. Additional measures have been put in place to support the mental health and wellbeing of employees and crews affected by the war. As a result of the ongoing conflict, several of the Company's Ukrainian officers have moved and are now living in other European countries with their families.

It is important for GCC to maintain the Ukrainian crew base and the competencies and capabilities they represent. The Company has made a long-term commitment to the education of seafarers through the cooperation with the Odessa Maritime Academy. For 2023, GCC has allocated a further USD 200,000 to support crew members choosing to relocate to outside of Ukraine.



## Diversity and Inclusion

GCC seeks to create a diverse workforce and to enable inclusive participation of workers from all different backgrounds. The Company believes that diversity contributes to learning, understanding and innovation. This is also recognised as one of the key Human Capital principles applied by GCC.

Board	2022	2021	2020
Gender diversity	43% female	43% female	12.5% female
Age (under 30   30-50   over 50)	0%   29%   71%	0%   29%   71%	0%   57%   43%

Onshore	2022	2021	2020
Gender diversity	31% female	33% female	33% female
Age (under 30   30-50   over 50)	6%   44%   50%	0%   47%   53%	6%   61%   33%

Onboard	2022	2021	2020
Gender diversity	2% female	0.9% female	4.1% female
Age (under 30   30-50   over 50)	27%   56%   17%	32%   51%   17%	14%   63%   23%

## Human Rights and Labour Rights

The Company's Human Rights Policy guides the approach to working with suppliers and how to establish labour conditions aboard the vessels. GCC provides training to the employees and actively monitor business areas for potential human rights issues. The policy is available on our website.

The Company seeks to abide by the following principles:

- Support and respect the protection of internationally proclaimed human rights; and
- Make sure that we are not complicit in human rights abuses.

## The Neptune Declaration

GCC is a Signatory to The Neptune Declaration, which protects workers' rights and establishes best-practices for crew changes throughout the ongoing global COVID-19 pandemic.

For more information on the management of Human Rights as a material topic, please refer to the Company's Transparency Act Statement in the appendix of this report.





## ESG Governance

The Board of Directors governs the approach to ESG issues in alignment with the Company's Sustainability Policy, available on the Company's website. The Company strives to be unwavering in relation to ethical, environmental and social standards, regardless of operating conditions. GCC adheres to the Corporate Governance guidelines issued by the Norwegian Corporate Governance Board (NUES).

Climate-risk management is integrated in the overall risk management processes of GCC. The Company follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and has summarized these disclosures in this report. For a more comprehensive overview of the climate risk governance, please refer to the TCFD statement in the appendix.

### **ESG-linked compensation**

Executive compensation is linked to ESG performance to incentivise improved performance and achievement of the Company's strategic ESG ambitions. A portion of the executive at-risk bonus is directly linked to the achievement of ESG targets, including the Company's rating in the annual Position Green ESG100 report based on an analysis of the 100 largest companies on Oslo Børs. All members of executive management are subject to this scheme.

### Code of conduct, ethics and anti-corruption

The Code of Conduct and Ethics Practices clearly sets out the Company's behavioural expectations. GCC has zero tolerance for corruption in any form, as stated in the Anti-Corruption Policy. The [Code of Conduct](#) and Anti-Corruption Policy can be found on the Company's website. GCC provides regular anti-corruption awareness training to the employees and seafarers and actively monitors for potential corruption incidents.

The Company operates an independent whistleblowing hotline and manages all reports received in line with the [Procedure for Reporting Concerns](#) (whistleblowing policy) and data protection laws. All employees, including non-permanent/temporary staff, and everyone employed or operating on board Group vessels, are encouraged to report their concerns of any misconduct related to business operations that should be prevented or corrected. Information about reporting a concern and the Whistleblowing Policy is available on the Company's website.

In compliance with the Norwegian Penalty Act and the OECD Anti-Bribery Convention, GCC monitors governance risks within own business operations and within that of business partners. These include corruption, bribery, money laundering and anti-trust behaviour.

### Supplier code of conduct

All suppliers are required to adhere to the same environmental, social and ethical standards as GCC's own employees. These standards are set out in our [Supplier Code of Conduct](#) and include clauses related to safety and the environment, anti-corruption, economic sanctions, regulations and human rights. The Company actively screens its suppliers based on these standards and, in cases of non-conformance, suppliers are actively followed up in order to comply with our Supplier code of Conduct.

GCC is an active member of the Marine Anti-Corruption Network (MACN) – the leading anti-corruption initiative in the Maritime Industry.

There were no reported breaches of the Code of Conduct in 2022 and no reported corruption or bribery incidents.

	2022	2021
Port calls in countries with 20 lowest rankings in Corruption Perception Index	101	161
Facilitation payments made	0	0
Inspections	95	34
Deficiencies	44	17
Detentions	2	0
Supplier screenings	164	N/A

### Data privacy and cyber security

GCC is committed to protecting privacy and maintaining data security. All employee, customer and company data are held in line with the Company's Data privacy and security Policy. GCC complies with the EU's General Data Protection Regulation (GDPR) and the IMO Resolution on Maritime Cyber Risk Management.

There were zero reported data privacy or security breaches in 2022 and 2021.

# Governance



# Board of Directors' report

**Gram Car Carriers ASA (“the Company” or “GCC”, together with its subsidiaries the “Group”) is a Norwegian public limited company incorporated on 3 August 2021. The principal business activity is to invest in and operate ships used in the global seaborne transport of automobiles and other vehicles. The Company’s headquarter is in Oslo, Norway, with a branch office in Singapore. The Company’s shares are listed on Euronext Oslo Børs under the ticker symbol “GCC”.**

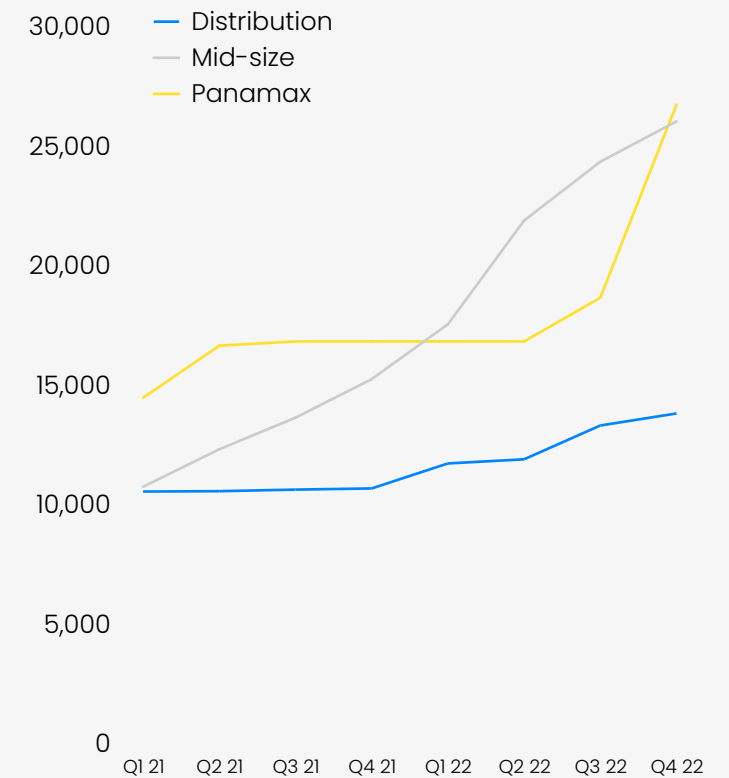
During 2022, the company made good progress executing its strategy by delivering stable and efficient operations and rechartering the fleet on contracts with long durations at historically high dayrates, as well as distributing successively increasing quarterly dividends to its shareholders. In January, the Company’s shares were admitted to trading on Euronext Growth in Oslo, and in December, the company transferred to the Oslo Børs main market to access a wider pool of investors.

The Group is the third-largest car carrier tonnage provider in the world in terms of fleet size and focuses on providing modern, reliable and efficient Pure Car Truck Carriers (PCTCs) across various sizes to suit all aspects of the seaborne car transportation trade. The fleet comprises vessels in the Distribution, Mid-Size and Panamax classes which are chartered out on time charter contracts to major global operators and regional major operators of seaborne vehicle transportation.

Gram Car Carriers is the operator and commercial manager of 19 owned vessels. The Group is also the commercial manager of one existing vessel and four newbuildings scheduled for delivery in 2025/2026 on behalf of third-party owners. The Group has entered into ship management contracts with OSM and Reederei F. Laeisz GmbH for vessel crewing and technical management.

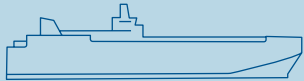
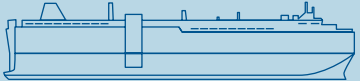
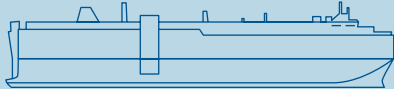
GCC is committed to a sustainable operations and has been an early adopter of sustainable biofuel and is considering carbon capture and hull modifications to further reduce emissions and improve the carbon footprint of the fleet.

**TC rates USD/day**





## Key operational figures

	 Distribution	 Mid-size	 Panamax	Fleet total
2022 (2021)				
Average TC rate (USD)	<b>12,560</b> (10,470)	<b>22,390</b> (12,790)	<b>19,650</b> (16,090)	<b>18,960</b> (13,030)
Utilisation	<b>99%</b> (100%)	<b>96%</b> (94%)	<b>95%</b> (100%)	<b>97%</b> (97%)
Planned/ unplanned off-hire days	<b>-/22 days</b>	<b>70/51 days</b>	<b>54/19 days</b>	<b>124/92 days</b>

## Review of operations

During 2022, the Group maintained satisfactory operational performance with an average fleet utilisation of 97% (2021: 96%). The fleet had a total of 124 planned off-hire days in relation to scheduled maintenance and dockings as well as 92 days of unplanned off-hire related to repairs and other factors. The unplanned off-hire was to a large extent covered by off-hire insurance, which limited the impact on the Group's financial performance. A total of six vessels were subject to planned periodic special surveys during the year, one of which extended into 2023.

The average fleet time charter equivalent earnings (TCE) were USD 18,960 per day in 2022, an increase from USD 13,030 in 2021. The higher TCE was a function of higher dayrates for all vessel types. The Panamax vessels earned an average of USD 19,650 per day (USD 16,090), the Mid-size vessels earned USD 22,390 (USD 12,790) and the Distribution vessels averaged USD 12,560 (USD 10,470). Average daily earnings from the fleet are expected to increase further in 2023 as vessels start on new contracts at higher dayrates. In 2022, the daily vessel operation costs averaged USD 6,320 (USD 5,670) for the full fleet.

The Company estimates an average cash flow breakeven rate of USD 17,270 per day per vessel going into 2023. The average cash flow breakeven increased during 2022 due to higher interest rates and vessel operating expenses which were impacted by general cost inflation and the war in Ukraine. For 2023, vessel operating expenses are expected at 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.

## Contract overview

The Group's revenue backlog amounted to USD 856 million at 31 December 2022, an increase from USD 150 million around the time of listing on Euronext Growth in late January 2022. This includes the backlog from vessels acquired during the year. In 2022, a total of 15 new fixtures were announced, and all owned and leased vessels were on contract at year end with an average contract duration of 3.3 years per vessel.

## Other operational factors

The Russian invasion of Ukraine on 24 February 2022 led to a substantial increase in the average time spent onboard for most of the Ukrainian crew on the Group's vessels. This affected scheduling of planned crew changes and the timing of related costs. Over the year as whole, the impact was however limited. To support the Ukrainian crew, GCC and its crewing partners have supported the relocation of families of the crew members. In addition, GCC in late 2022 introduced additional financial support through a special "hardship allowance" for the Ukrainian crew members.

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 main priority. As at 31 December 2022, 100% of seafarers and onshore personnel had 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 31 January 2022, Gram Car Carriers ASA was admitted to trading on Euronext Growth Oslo following the completion of asset transactions with the former Singapore corporate structure and F. Laeisz, and the private placement of new shares raising the equivalent of USD 121 million in gross proceeds.

At the same time, GCC refinanced most of its corporate debt with a new five-year USD 222 million senior secured credit facility and an eight-year USD 70 million lease. Existing shareholders contributed equity in kind on identical terms as new investors in the private placement, which also included a share-based payment for two vessels acquired from F. Laeisz, Viking Passama and Viking Passero, both built in 2012 and with 5,000 CEU capacity. The private placement was supported by five cornerstone investors including international industry names, with significant oversubscription for the remaining shares on offer.

On 15 December, GCC transferred from Euronext Growth to the Oslo Børs main market. The transfer from a multilateral trading facility to a regulated exchange is expected to 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. As at 31 December 2022, GCC had 51% free float and approximately 1,050 shareholders registered in the Norwegian Central Securities Depository (VPS).

In April, GCC was the commercial adviser during the formation of Global Auto Carriers AS (GAC), a company created for the purpose of ordering four newbuild 7,000 CEU dual fuel PCTCs, with options for an additional two vessels. GAC is owned by established international industrial and financial investors with deep shipping knowledge which are also shareholders of GCC. GCC received warrants enabling an ownership stake in GAC of up to 7.5%, and a 1% commission of the gross contract price for the vessels which will be used to exercise warrants. GCC serves as the commercial manager for the GAC fleet. The creation of GAC provides additional revenue streams for the Group and the potential for a future equity stake without capital expenditures in line with the strategy of being a vessel owner with long-term contracts.

In November, GCC acquired the Pure Car Truck Carrier *Paglia* built in 2010 with 5,000 CEU capacity from F. Laeisz for a total consideration of USD 49 million, of which USD 39.2 million was settled in cash and USD 9.8 million settled by issuance of 563,218 new GCC shares. The transaction was considered accretive to earnings per share and is expected to facilitate increased dividend distributions. The vessel is on a time charter contract until May 2028 at USD 33,300 per day.

Also, during 2022, the Group refinanced the leases for the PCTC vessels *Viking Drive* and *Viking Destiny*.

### Market

The demand for PCTC vessels follows global auto sales which have historically correlated with economic activity and global GDP growth. The global car shipping market developed favourably in line with expectations during 2022 with continued undersupply of vessels, despite downward revisions of forecasts for global economic growth and auto sales in the period due to lingering effects of the Covid-19 pandemic, supply chain disruptions, the war in Ukraine as well as rising interest rates and inflation.

The strong market fundamentals reflect multiple years of underinvestment in new vessels and capacity combined with increased activity in the post-pandemic recovery and significant growth in Chinese auto exports with longer average transport distances. Additionally, rising raw material prices led to increased demand for so-called high and heavy machinery to the mining, agriculture and construction sectors which are often transported by sea. This was reflected in high chartering activity by the operators seeking to fulfil their obligations to the auto manufacturers, which led to historically high charter rates combined with long durations for the tonnage providers.

The Group sees a positive market outlook for 2023. The IMF's economic outlook from January 2023 forecasts global GDP growth of 2.9% in 2023 following 3.4% growth in 2022. The most recent forecast for global light vehicles sales by LMC Automotive predicts 85.7 million units sold in 2023, an increase of 4.7% compared to 2022. The global fleet controlled by PCTC tonnage providers was unchanged at 180 vessels at year end. 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 year in 2022.

Following several years of negative fleet growth in the PCTC market, orders for new car carriers have increased in response to the strong market fundamentals. The global car carrier fleet amounted to 757 vessels on 31 December 2022, according to Clarksons. The current orderbook stands at 132 vessels, which is equal to 24% of existing capacity. This is above the historical average of 17%. However, the majority of the current orderbook will only start to materially impact supply from 2025 onwards. Additionally, 147 of the vessels within the current fleet are older than 20 years. Considering the projected growth in cargo volumes and the medium-term fleet development it is forecasted that the capacity increase will be insufficient to meet the estimated demand at least through the year 2025.

In 2022, the Group successfully captured the strong market by rechartering most of the fleet at higher dayrates and multi-year durations. At year end, open capacity was at 10%, 31% and 34% of available days for the years 2023, 2024 and 2025 with further new contracts to be signed in early 2023. The forward contract coverage provides good visibility on future earnings and dividend capacity. Please see the market overview section of the annual report for more details.

### People, organisation and working environment

As at 31 December 2022, the Group employed 16 people, 11 men and five women. Of the employees, 12 worked out of the Oslo headquarters and four out of the Singapore branch office. At year end, the Board comprised of three women and four men, with an additional male alternate Board member. Management consisted of four men.

The onshore working environment is considered to be good and sick leave was 5.4% in 2022. There was no leave of absence, incidents or reporting of work-related accidents leading to material damage or personal injury during the year. Offshore personnel on the Group's vessels are employed by the service providers, but the Group places great emphasis on health and safety onboard its vessels.

The Group seeks to promote a workplace where diversity is valued and where all employees can develop their individual skills and talents. The Group does not tolerate any form of discrimination, harassment or bullying based on (dis)ability, ethnicity, religion, parenthood, age, union affiliation, political opinion, sexual orientation, gender, gender identity and/or any other characteristic protected by applicable law. The organisation is in constant development and the diverse workforce forms the basis of the Group's success. By constantly securing safe and wholesome working conditions and a positive work environment for its employees, the Company aims to preserve and build on healthy, motivated employees and a strong internal culture.

<sup>1</sup> Environmental, Social and Governance

Please see the separate ESG <sup>1</sup> section of the annual report for more information related to employees, diversity, health and safety.

### Consolidated financial statements

The consolidated financial statements for the Group are presented as a continuation of Gram Car Carriers Holdings Pte. Ltd. and its subsidiaries (Old Group).

### Declaration regarding the financial statements

The Board of Directors believes that the financial statements provide a true and fair view of the Group's result for 2022 and the financial position at year end.

### Income statement

2022 operating revenue of USD 121 million reflected improved average time charter rates and utilisation across all segments compared to the prior year's operating revenue of USD 78 million. Vessel operating expenses amounted to USD 41.4 million (USD 34.5 million) and reflected a larger fleet and general cost inflation. Administrative expenses were USD 9 million (USD 8.2 million) and included non-cash expenses of USD 0.9 million (USD 0.4 million) relating to long-term employee incentive programmes and USD 0.4 million in non-recurring expenses relating to the transfer from Euronext Growth to the Oslo Børs main market.

Operating profit before depreciation (EBITDA) was USD 70.6 million, an increase from USD 35.4 million in 2021. Depreciation amounted to USD 27.5 million (USD 24.8 million). The increase compared to 2021 was due to the vessels acquired in 2022.

Operating profit (EBIT) amounted to USD 43.1 million (USD 10.6 million). Net financial expenses of USD 19.2 million (USD 18.1 million) reflecting mainly interest expense on vessel loans and leases. The increase in financial expense is mainly due to increased interest rates.

Net income for the year amounted to USD 23.9 million compared with a net loss of USD 7.5 million in 2021. This equalled basic earnings per share of USD 0.83 per share (negative USD 0.03).

### Financial position

As at 31 December 2022, the Group had a cash position of USD 30.3 million (USD 16 million) and in addition USD 15 million in available undrawn credit lines. Vessels and other tangible assets amounted to USD 568.2 million, with the increase from the previous period related to vessels acquired during the year. Interest-bearing debt, including lease liabilities, amounted to USD 339.5 million (USD 374.1 million). Total assets and book equity were USD 609.7 million (USD 494.7 million) and USD 243.4 million (USD 79.2 million), respectively. The increase in equity reflects the January private placement of new shares and net profit for the period less dividends paid. The book equity ratio was 40% (16%) as of 31 December 2022.

### Cash flow

Cash flow from operating activities was USD 79.6 million (USD 38.3 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 63.4 million reflected mainly the acquisition of Viking Paglia and

expenditure relating to drydocking. Cash flow from financing activities was negative USD 1.9 million (negative USD 69.6 million) reflected the net impact of proceeds from the share issue, debt and lease refinancing activities, the Viking Paglia financing, interest payments and scheduled instalments under the Group's debt facilities and leases and dividend paid during the year. Net change in cash and cash equivalents was a positive USD 14.3 million in 2022 (USD 4.4 million).

### Dividend

For 2022, GCC has distributed a total of USD 0.408 per share in dividends over four consecutive quarters equal to 50% of net profit in line with the Company's dividend policy. The payments increased sequentially each quarter in line with increased earnings, reflecting the renewal of the contract portfolio in a historically strong car shipping market and in line with strategy. The distributions were made as a repayment of the Company's paid-in capital and were approved by extraordinary general meetings of the Company. Distributions during 2022 was paid in NOK and amounted to a total of NOK 70 million.

### Parent company financial statements

Gram Car Carriers ASA reported a net loss of USD 8.7 million for 2022. As at 31 December 2022, total assets amounted to USD 194.4 million (USD 2.1 million) and equity was USD 161.8 million (USD 0.5 million).

### Allocation of loss for the parent company

The loss for the year of the parent company, Gram Car Carriers ASA, of USD 8,676,000 has been allocated in its entirety to accumulated losses.

### Going concern

Pursuant to Section 3-3a of the Accounting Act, the Board confirms that the prerequisites for continued operations as a going concern have been met. This assumption is based on the financial position of the Group, forecasted results and cash flows for 2023 and the Group's long-term strategic forecast for the coming years.

### Corporate governance

The Board of Directors has made a firm commitment to ensure trust in the Company and to enhance shareholder value through effective decision-making and procedures for good communication between management, the Board and the Company's shareholders. GCC aims to comply with the Code of Practice for Corporate Governance published by the Norwegian Corporate Governance Board (NUES) on 14 October 2021. The Company has adopted a corporate governance policy with the aim of decreasing the business risk, maximising value and utilising the Company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees, the environment and the society. A separate section of this annual report provides further details on the Group's adherence to the corporate governance principles with certain deviations.

### Corporate social responsibility

The Group is committed to sustainable operations and has due focus on environmental, social and governance (ESG) performance, including formalising how the Group measures, manages and reports on material ESG topics. The Group seeks to provide a safe and diverse working environment and has a long-term goal of reducing total greenhouse gas emissions by at least 50% in 2050. The Group has been an early adopter of sustainable biofuel and is considering carbon capture and hull modifications to further reduce emissions and improve the carbon footprint of the fleet. A separate section of this annual report provides further details on the Group's ESG focus and performance. Please also see the [Transparency Act Statement](#) included in the appendix and available on the company web page.

### Directors' and officers' liability insurance

Members of the Board of Directors, the CEO and the management team are covered by insurance policies (D&O) against potential liability towards the Company and third parties.

### Risk factors

The Board of Directors aims to ensure that the Group has sound systems for internal control and risk management that are appropriate in relation to the business objectives and activities. The management and the Board proactively seek to monitor and quantify risk and take the appropriate measures to limit exposure through use of insurance, sound planning and other relevant measures.

GCC is exposed to various industry, operational, financial, regulatory and legal risks. A summary of the risk categories is outlined below. Descriptions are not exhaustive, and the sequence does not imply any ranking of importance or priority. Please see the prospectus related to the listing of the Company's shares on the main list of the Oslo Stock Exchange dated 30 November for more detailed information.

### Operational and industry risks

Operational and industry risks include vessel and technology risks related to the general technical condition of the assets and their operation associated with ageing, changes in technology and environmental requirements and changes to customer preferences, which may result in substantial capital expenditures. The Group's vessels are required to meet certain criteria for hull and machinery to be certified as "in class" by relevant classification societies. The Group has outsourced technical management for the fleet to OSM Ship Management Pte. Ltd. and Reederei F. Laeisz GmbH. The Group cooperates closely with the technical managers to ensure that the vessels are well maintained and comply with relevant regulations and class certifications.

The shipping industry has historically been cyclical with volatility in profitability and asset values, primarily due to changes in the level and pattern of global economic growth, competition and changes in the supply of and demand for vessel capacity. The Group's performance and growth depends on the demand for deep-sea transportation of vehicles, high and heavy machinery, agriculture and mining equipment, as well

as delivery of new vessels and recycling of old vessels, converted to other uses or lost.

The vessels carry pollutants, exposing the Group to risks relating to potential liability for breaches of environmental regulations should its vessels be involved in discharge of pollutants or otherwise be involved in environmental spills or accidents.

The Group has a few, major customers, and is dependent on maintaining existing relationships as well as attracting new customers with acceptable credit risk profiles to maintain and improve performance

From time to time, the vessels may operate in areas with higher political, governmental, and economic instability, exposing the Group to risks associated with such instabilities, including lost revenue for a vessel that is unlawfully detained, detained on unjustified grounds or where facilitation payments are demanded for such detainment, as a vessel would commercially be considered off-hire pursuant to its time charter contract in such an event.

### Legal and financial risks

The Group is subject to the laws and legislations in the jurisdictions in which the Group and the vessels operate. Changes in the legislative framework for areas such as tax regulations, technical requirements, laws and policies affecting trade and investment, data privacy and/or environmental regulations may have a negative impact on the business

The recent developments in Europe, with sanctions imposed on Russian and Belarus' interests by the EU, the US and others, may continue to impact global trade, global markets, fuel and crude oil prices and congestions in ports. This may in turn negatively impact demand for vehicles and the supply chains for high and heavy machinery, agriculture and mining equipment, affecting the demand for the Group's services. The Group has implemented procedures to ensure its compliance with the sanctions. While the war in Ukraine has affected the Group's operations, the direct financial impact has been limited. GCC monitors the situation closely but cannot rule out potential future impacts from the war in Ukraine.

The Group is exposed to credit risks and contractual default by its counterparties. The customer base consists of relatively few companies, with varying credit risk profiles. The Group may also experience loss or liabilities tied to its operations and assets for which the Group is not adequately insured.

As of 31 December 2022, all of the Group's material financing arrangements are subject to floating interest rates. Any changes in the interest rates have a direct impact on the Group's financial performance. Interest rate levels affect the daily time charter break even and may also indirectly affect the value of the Group's assets.

The Group is subject to covenants under financial arrangements. The breach of such covenants could have a material adverse effect on the Group's operations. As of 31 December 2022, the Group complied with all financial covenants.

### Events after the balance sheet date

On 8 February 2023, the Board of Directors proposed an additional distribution to shareholders amounting to USD 4.96 million. The distribution was approved by the extraordinary general meeting on 2 March 2023.

On 23 February 2023, GCC signed three-year time charter contracts for the Distribution vessels City of Oslo (2,000 CEU) and Viking Odessa (2,000 CEU) with a leading European operator at a dayrate of USD 27,750 per day for each vessel. The contracts, which start in the second quarter of 2023, add approximately USD 61 million of future revenue to the contract backlog. After signing, GCC had 3%, 20% and 24% of total available revenue days open for 2023, 2024 and 2025, respectively.

### Outlook

As the world's third-largest tonnage provider within the PCTC 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 records combined with longer durations and a record revenue backlog.

Following the most recent contract awards, the Company has secured a significant share of its revenue days through 2025 providing good long-term visibility on future earnings and cash generation. The Group has additional vessels coming up for contract renewals in the coming months at expected high dayrates to support future earnings growth and shareholder returns through attractive dividends.

Oslo, 20 April 2023

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

**Ivar Myklebust**  
Chair

**Nikolaus H. Schües**  
Vice Chair

**Alasdair James Dougal Locke**

**Nicolaus Bunnemann**

**Clivia Breuel**

**Christine Rødsæther**

**Nils Kristoffer Gram**

**Georg A. Whist**  
Chief Executive Officer

# Corporate governance report

**The Board of Directors (the “Board”) of Gram Car Carriers ASA (the “Company” and together with its subsidiaries, the “Group”) has made a firm commitment to ensure trust in the company and to enhance shareholder value through effective decision-making and improved communication between management, the Board and the Company’s shareholders. The purpose of the Company’s policy for corporate governance is to decrease business risk, maximise value and utilise the Company’s resources in an efficient, sustainable manner, to the benefit of shareholders, employees, the environment and the society as a whole.**

## **1. Corporate Governance in Gram Car Carriers ASA Corporate governance framework and reporting**

The Board of Directors actively ensures that the Company adheres to good corporate governance standards and seeks to comply with the Norwegian Code of Practice for Corporate Governance (the “Corporate Governance Code”). The Corporate Governance Code, last revised on 14 October 2021, is available at the Norwegian Corporate Governance Committee’s web site - [www.nues.no](http://www.nues.no). Application of the Corporate Governance Code is based on the “comply or explain” principle, which stipulates that any deviations from the Code, should be explained. The main purpose of the Corporate Governance Code is to clarify the respective roles of shareholders, the Board and the management and ensure effective management and control over activities with the aim

of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other stakeholders concerned.

The Board of Directors adopted the Company’s corporate governance policy on 3 November 2022, including revised rules of procedure for the Board, instructions for the audit committee, instructions for the remuneration committee, and manuals for the handling of inside information and other disclosure obligations applicable to companies with shares listed on the Oslo Stock Exchange.

In accordance with reporting requirements for stock exchange listed companies, the Board of Directors prepares this report on the Company’s corporate governance practices and how Gram Car Carriers has complied with the Corporate Governance Code in the preceding year. This report is included in the annual report.

### **Deviations to the Code**

In its own assessment, the Company as at 31 December 2022 deviated from the Corporate Governance Code on the following points:

- **Section 6 – General meetings:** The general meeting is chaired by the chair of the Board or a person appointed by the chair in accordance with an authority granted by the Board. This simplifies the preparations for the general meetings. In the Company’s experience, its procedures for the chairmanship and execution of general meetings have proven satisfactory. Furthermore, representatives of the Board will attend the Company’s general meetings. However, the Company will not normally have the entire Board attend general meetings, unless this is considered necessary in light of the matters to be dealt with.
- **Section 7 – Nomination committee:** A shareholder which owns more than 20% of the issued shares of the Company has a right to appoint one member of the Company’s nomination committee



- **Section 14 – Takeovers:** The Board has not established guiding principles on how to act in the event of a take-over bid, as such situations are normally characterised by concrete and one-off situations which makes relevant guidelines challenging to prepare.

The following sections discuss the Company's corporate governance in relation to each section of the Corporate Governance Code.

## 2. Business

The company's business is defined in the company's articles of association section 3):

"The company's objective is to operate shipping, to invest in ship owning companies and other business compatible therewith."

The Board has defined objectives, strategies and risk profiles for the Group's business activities, including that the Company creates value for its shareholders in a sustainable manner. The Company's objectives, strategies and risk profiles are evaluated annually. Furthermore, it is the Board's responsibility from time to time to identify and assess which aspects of sustainability are relevant to the Group's business. The Board should establish guidelines for how it integrates considerations related to its stakeholders into its value creation.

The Company's objectives and principal strategies are further described in the Company's annual reports and on the Company's website <https://www.gramcar.com/>.

## 3. Equity and dividends

### Equity

On 31 December 2022, the company's consolidated equity was USD 243 million, which is equivalent to 40% of total assets. The Board of Directors considered the capital structure at year end to be satisfactory in relation to the company's objectives, strategy and risk profile.

### Dividend policy

The Company's dividend policy is to pay at least 50% of the Group's net profit in dividends on a quarterly basis. Proposals to declare dividends are subject to applicable laws and shall take into account factors such as the Company's financial conditions, revenues, net profits, capital requirements, general business conditions and other factors that may be deemed relevant.

Dividends on the Company's shares shall, unless otherwise communicated, be declared in USD and settled in NOK.

For 2022, the Company distributed dividends in four instalments based on the quarterly financial results in line with policy. Each distribution, which constituted a repayment of the Company's paid-in capital, was approved by an extraordinary general meeting (EGM). The distributions totalled USD 0.408 per share with the final payment executed in March 2023.

### Share capital increases and issuance of shares

At the annual general meeting (AGM) on 12 May 2022, the following authorisations were granted to the Board of Directors:

- An authorisation to increase the share capital, in one or more rounds, by up to NOK 16,743,191 in connection with completion of larger investments and acquisitions of vessels or companies as part of the Company's strategy, to finance future growth of the Company's business, or to strengthen the Company's capital. The authorisation is valid until the annual general meeting in 2023, however in any event no later than until 30 June 2023. As at 31 December 2022, the Company had issued new shares equal to NOK 1,641,612 of share capital using the authorisation.
- An authorisation to increase the share capital, in one or more rounds, by up to NOK 4,185,797 in connection with the Company's share option programme and other incentive schemes. The authorisation is valid until the annual general meeting in 2024, however in any event no later than until 12 May 2024. The authorisation was not used as at 31 December 2022.
- An authorisation to acquire the Company's own shares, on one or more occasions, with a total par value of up to NOK 4,185,797. Shares acquired pursuant to this authorisation shall either be subsequently cancelled by way of a share capital decrease, used in connection with investment within the Company's business area or as settlement in potential acquisitions. The purchase price per share shall not be less than NOK 5 and not more than NOK 500. The authorisation is valid until the Company's annual general meeting in 2023, however in any event no later than until 30 June 2023. The authorisation comprises agreed pledge on the Company's own shares. The authorisation was not used per 31 December 2022.

- An authorisation to acquire the Company's own shares, on one or more occasions, with a total par value of up to NOK 4,185,797. Shares acquired pursuant to this authorisation shall be used in connection with the Company's share option programme and other incentive schemes in the Company. The purchase price per share shall not be less than NOK 5 and not more than NOK 500. The authorisation is valid until the Company's annual general meeting in 2023, however in any event no later than until 30 June 2023. The authorisation comprises agreed pledge on the Company's own shares. The authorisation was not used as at 31 December 2022.

There was a separate vote on each of the four authorisations. For supplementary information, see notice and minutes of the AGM available from [www.newsweb.no](http://www.newsweb.no) or the company's website.

#### 4. Equal treatment of shareholders

The Company has one class of shares. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently in the best common interest of the Company and its shareholders.

#### Pre-emption rights to subscribe

According to the Companies Act, the Company's shareholders have pre-emptive rights in share offerings against cash contribution. Such pre-emptive rights may, however, be set aside, either by the general meeting or by the Board if the general meeting has granted a Board authorisation which allows such deviation. Any resolution to set aside pre-emptive rights must

be justifiable when taking into account the common interests of the Company and the shareholders, and such justification will be publicly accounted for through a stock exchange notice by the Company.

#### Trading in own shares

In the event of a future share buy-back programme, the Board will aim to ensure that all transactions pursuant to such programme will be carried out either through the trading system at the Oslo Stock Exchange or at prevailing prices at the Oslo Stock Exchange and in accordance with the Market Abuse Regulation. In the event of such programme, the Board will take the Company's and shareholders' interests into consideration and aim to maintain transparency and equal treatment of all shareholders. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders. The Company did not buy back own shares in 2022.

#### 5. Freely negotiable shares

The shares of the Company are freely transferable. There are no restrictions on transferability of shares pursuant to the Articles of Association.

#### 6. General meetings

The Board shall ensure that as many of the Company's shareholders as possible are able to exercise their voting rights at the Company's general meetings, and that the general meeting is an effective forum for shareholders and the Board. Extraordinary general meetings (EGM) can be called by the Board of Directors if deemed necessary or be requested by the company's auditor or shareholders representing at least 5% of the company's share capital.

#### Notification

The Board of Directors ensures that the resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting. The deadline for shareholders to give attendance notice is set as close to the date of the meeting as possible.

#### Participation and execution

Representatives of the Board will attend the Company's general meetings. However, the Company will not normally have the entire Board attend general meetings, unless this is considered necessary in light of the matters to be dealt with. This represents a deviation from the Corporate Governance Code which recommends that arrangements shall be made to ensure attendance by all Board members. The auditor attends the AGM and any EGM to the extent required by the agenda items or other relevant circumstances.

The Board and the chair of the general meeting ensure that the shareholders are able to vote separately on each candidate nominated for election to the Board and other corporate bodies (if applicable).

The general meeting is chaired by the chair of the Board or a person appointed by the chair in accordance with an authority granted by the Board. This simplifies the preparations for the general meetings. In the Company's experience, its procedures for the chairmanship and execution of general meetings have proven satisfactory. However, this represents a deviation from the Corporate Governance Code which states that the Board should seek to ensure that an independent

chair is appointed, if considered necessary based on the agenda items or other relevant circumstances.

The right to participate and vote at the general meeting may only be exercised by shareholders whose shareholdings are entered in the Norwegian Central Securities Depository (the "VPS"), on the fifth day prior to the general meeting, as stipulated by the Articles of Association in accordance with statutory law. Instead of participating at the general meeting, shareholders may vote in advance or grant a proxy, with or without voting instructions as further described in this notice.

On 17 January 2022, Gram Car Carriers held an EGM to approve the reverse share split and share capital increases in connection with the private placement. Further the EGM approved election of Nikolaus H. Schües, Dr. Gaby Bornheim and Clivia Breuel as new members of the Company's board, with Nicolaus Bunnemann as alternate Board member. The EGM had 100% of the share capital represented.

On 12 May 2022, Gram Car Carriers held its AGM digitally, with 70.6% of the share capital represented.

On 26 August 2022, Gram Car Carriers held an EGM to approve the distribution of a cash dividend for the second quarter of 2022, with 54.21% of the share capital represented.

On 8 November 2022, Gram Car Carriers held an EGM to approve the distribution of a cash dividend for the third quarter of 2022, with 16.19% of the share capital represented.

## 7. Nomination committee

The nomination committee is governed by the articles of association section 8. The nomination committee gives its recommendation to the general meeting on election of and compensation to members of the Board of Directors, in addition to election of members of the nomination committee. On 31 December 2022 the committee comprised three members: Erik A Lind (chair), Hannes Thiede and Olav Kristian Falnes. All are appointed to appointed until the AGM in 2024.

Two committee members were appointed by the general meeting, and one by F. Laeisz in accordance with the Articles of Association which states that a shareholder which owns more than 20% of the issued shares of the Company has a right to appoint one member of the committee. This deviates from the Corporate Governance Code that the general meeting should elect members to the Board and nomination committee on an individual basis. The deviation was considered necessary by the Board of Directors, as it was a condition for completion of the acquisition of two vessels from F. Laeisz in 2022. The transaction was considered to be in the common interest of the Company and its shareholders through the expansion of the fleet and thereby enhanced cash flow.

The composition of the nomination committee is considered suitable to attend to the interests of the Company and its shareholders in carrying out its responsibilities. The general meeting stipulates the guidelines for the duties of the committee and determines the committees' remuneration. The [current instructions](#) were adopted on 17 January 2022 and approved by the AGM.

## 8. Board of Directors: composition and independence

Pursuant to the Articles of Association, the Board shall consist of between three and seven members. On 31 December 2022, the Board of Directors consisted of seven members plus an alternate member (see table below). The chairperson of the Board was elected by the general meeting.

The Board's composition ensures that it can attend to the common interests of all shareholders in the Company and meet the Company's need for expertise, capacity and diversity. Attention is paid to ensure that the Board can function effectively as a collegiate body.

The composition of the Board ensures that it can operate independently of any particular interests. The majority of the shareholder-elected Board members are independent of the management and material business contacts. At least two of the shareholder-elected Board members are independent of the Company's main shareholder(s). The Board does not comprise members from the management.

The board members are elected for a term of up to two years at a time and may be re-elected. At the AGM on 12 May 2022, Alasdair Locke, Dr. Gaby Bornheim and Christine Rødsæther were re-elected as Board members for the period until the AGM in 2023. The remaining members were re-elected for the period until the AGM in 2024. Following the 31 January listing on Euronext Growth, the Board held 11 meetings in 2022. These were a combination of physical and Teams meetings as well as conference calls.

Name	Role	Considered independent of main shareholders	Served since	Term expires	Participation Board meetings 2022	Shares in GCC (direct/ indirect) at 31 Dec 2022
Ivar Myklebust	Chair	Yes	2021	2024	100%	33,000
Nikolaus H. Schües	Vice Chair	No	2022	2024	91%	7,945,229
Alasdair Locke	Member	Yes	2021	2023	82%	1,938,782
Dr. Gaby Bornheim	Member	Yes	2022	2023	100%	N.A
Clivia Breuel <sup>1</sup>	Member	No	2022	2024	100%	2,686,706
Christine Rødsæther	Member	Yes	2021	2023	100%	18,745
Nils Kristoffer Gram	Member	Yes	2021	2024	100%	3,000
Mr. Nicolaus Bunnemann <sup>1</sup>	Alternate member	No	2022	2024	100%	2,686,706

<sup>1</sup> The shares associated with Clivia Breuel and Nicolaus Bunnemann are the same, owned through AL Maritime Holding Pte. Ltd. As at the date of this report, neither Clivia Breuel nor Nicolaus Bunnemann are considered independent of main shareholders, as AL Maritime Holding Pte. Ltd currently owns more than 10% of the company's shares and votes.

All members of the Board of Directors are considered independent of the company's executive management and material business contacts as of 31 December 2022, with the exceptions of Nils Kristoffer Gram, who is not considered independent of the executive management member Harald Mathias Gram, and Nikolaus H. Schües, who is not considered independent of the company's main shareholder, F. Laeisz GmbH. Dr. Gaby Bornheim was initially nominated to the Board by F. Laeisz GmbH in January 2022 but is considered independent of F. Laeisz GmbH.

The company's annual report and the website provide information to illustrate the expertise of the members of the Board of Directors. The Board considers its composition to be diverse and represents required competencies including financial and industrial experience. Board members are encouraged to own shares in the company.

## 9. The work of the Board of Directors

### The rules of procedure for the Board of Directors

The Board of Directors is responsible for the overall management of the company and supervises the company's day-to-day management and the company's activities in general. The Companies Act regulates the duties and procedures of the Board. In addition, the Board has adopted supplementary rules of procedures providing further details on inter alia the duties of the Board and the chief executive officer (the "CEO"), the division of work between the Board and the CEO, notices of Board proceedings, administrative procedures, minutes, Board committees, transactions between the Company and the shareholders and related parties and matters or confidentiality.

The Board produces an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The CEO, as required by the Board, by attendance or in writing, informs the Board about the Company's activities, position and profit trend.

The Board's consideration of material matters in which the chair of the Board is, or has been, personally involved, shall be chaired by another Board member elected by the Board.

The Board evaluates its expertise and performance on an annual basis.

The following Board committees have been established to support the work of the Board of Directors:

### The audit committee

The Company's [audit committee](#) is governed by the Companies Act and separate instructions adopted by the Board. A majority of the members are independent of the Company's business, and at least one member has qualifications within accounting or auditing. Board members who are also members of the management (if any) cannot be members of the audit committee. On 31 December 2022, the audit committee comprised Nils Kristoffer Gram (chair), Nikolaus H. Schües and Ivar Hansson Myklebust.

The audit committee assists the Board in the preparation of decisions on issues regarding risk assessment, internal controls, financial reporting and auditing. The purpose of the audit committee is to ensure:

- the integrity of the Company's financial statements, financial reporting processes, internal controls and risk assessment and risk management policies, and of the compliance system; and
- the performance of the Company's internal control function.

The audit committee reports and makes recommendations to the Board of Directors, which retains responsibility for implementing such recommendations.

#### The remuneration committee

The Company's remuneration committee assists the Board of Directors in matters relating to remuneration and benefits to the Company's executive personnel, as well as reviewing recruitment policies, career planning and management development plans, and prepares matters relating to other material employment issues in respect of the executive personnel. On 31 December 2022, the committee comprised Christine Rødsæther (chair), Alasdair Locke, Dr. Gaby Bornheim and Clivia Breuel.

The remuneration committee's duties are governed by separate instructions adopted by the Board.

The remuneration committee shall prepare, subject to approval by the Board and the general meeting as required under applicable law:

- a policy on determination of salaries and other remuneration for executive personnel in accordance with the Companies Act section 6-16 a;

- an annual report, to be controlled by the auditor, on salaries and other remuneration for executive personnel in accordance with the Companies Act section 6-16 b; and
- other matters relating to remuneration and other material employment issues in respect of the executive personnel.

The [remuneration committee](#) reports and makes recommendations to the Board of Directors, which retains responsibility for implementing such recommendations.

#### 10. Risk management and internal control

The Board gives priority to risk management and internal control, seeking to ensure that adequate systems are in place to cover interdependent areas which include risk management, control environment, control activities, information and communication and monitoring.

The management is responsible for establishing and maintaining sufficient internal control over financial reporting. Company-specific policies, standards and accounting principles have been developed for the annual and quarterly financial reporting of the Group. The CEO and the chief financial officer supervise and oversee the external reporting and the internal reporting processes. This includes assessing financial reporting risks and internal controls over the financial reporting. The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the EU.

The Board seeks to ensure sound internal control and systems for risk management, including compliance to the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility. The Company's code of conduct describes the Company's ethical commitments and requirements related to business practice and personal conduct. If employees experience situations or matters that may be contrary to rules and regulations or the Company's code of conduct, they are urged to raise their concern with their immediate superior or another manager in the Company.

The Board of Directors assesses the company's risks on an ongoing basis. The Board undertakes an annual review of risks related to the Group's business together with the review of the annual financial statements. The audit committee assists the Board on an ongoing basis in monitoring the Company's system for risk management and internal control. In connection with the quarterly financial statements, the audit committee presents to the Board reviews and information regarding the Company's current business performance and risks.

## 11. Remuneration of the Board of Directors

The general meeting decides the remuneration of the Board, reflecting the Board's responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration is not linked to the Company's performance.

The annual report specifies all elements of the remuneration and benefits to each member of the Board, which includes a specification of any remuneration in addition to normal fees to the members of the Board. The policy on determination of salaries and other remuneration for executive personnel, includes principles on the remuneration to the Board. See the 2022 remuneration report for more information.

Members of the Board and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the Board. If they do nonetheless take on such assignments this should be disclosed to the full Board. The remuneration for such additional duties should be approved by the Board.

## 12. Remuneration of the executive management

The Board of Directors has, with the assistance from the remuneration committee, prepared a clear policy for the determination of salary and other remuneration of the CEO and executive management.

The policy contributes to the Company's commercial strategy, long-term interests and financial viability in compliance with the regulation on policies and reports on remuneration for executive personnel. The policy will be made available to and

shall be approved by the AGM at least every fourth year. The Board, assisted by the remuneration committee, prepares a report on remuneration to executive personnel on an annual basis, in accordance with the Companies Act. The report is controlled by the auditor,

The remuneration committee is responsible that the Company's framework for salary and other remuneration helps ensure the executive personnel and shareholders of the Company have convergent interests. Any annual performance-related remuneration is subject to an absolute limit of 18 months salary.

## 13. Information and communication

Gram Car Carriers seeks to comply with Oslo Børs' IR recommendation, last revised 1 March 2021. The Board has adopted an investor relations policy, which clarifies roles and responsibilities related to financial reporting and regulates contact with shareholders and the investor market. This policy is based upon the key principles of openness and equal treatment of market participants to ensure they receive correct, clear, relevant and up-to-date information in a timely manner. The IR policy is available from the [company's website](#). In addition, the Board has adopted a separate manual on disclosure of information, which sets forth the company's disclosure obligations and procedures.

The Company publishes a financial calendar, providing an overview of the dates for major events such as its annual general meeting and publication of interim reports. Interim reports are published on a quarterly basis, in line with Oslo

Børs' recommendations. In connection with the quarterly reporting, presentations are given to provide an overview of the operational and financial developments, market outlook and the company's prospects. All information distributed to the company's shareholders is published in English on the company's website at the same time as it is sent to Oslo Børs and [www.newsweb.no](http://www.newsweb.no).

## 14. Takeovers

In the event the Company becomes the subject of a takeover bid, the Board shall seek to ensure that the Company's shareholders are treated equally, and that the Company's business is not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess any such offer.

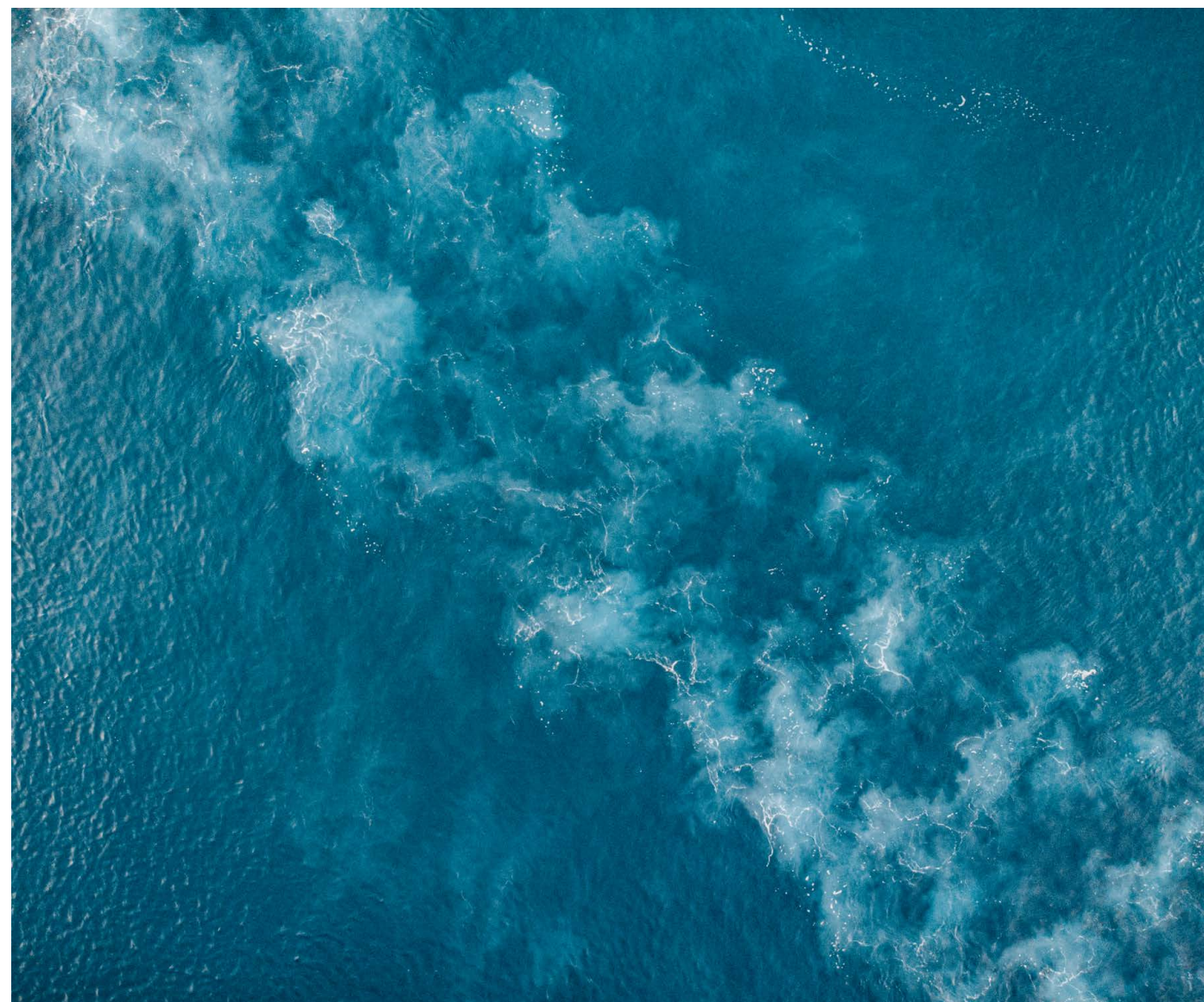
There are no defence mechanisms against takeover bids in the Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company. The Board has not established written guiding principles for how it will act in the event of a takeover bid, as such situations are normally characterised by concrete and one-off situations which make a guideline challenging to prepare. In the event a takeover were to occur, the Board will consider the relevant recommendations in the Corporate Governance Code and observe the Norwegian takeover regime as stipulated by the Norwegian Securities Trading Act, and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

## 15. Auditor

The company's external auditor is BDO. The auditor is appointed by the general meeting and is independent of Gram Car Carriers ASA.

Each year, the company's auditor presents to the audit committee the audit plan of the Group, a review of the internal control procedures, including identified weaknesses and proposals for improvement, and a summary of the year-end audit. The auditor participates in Board meetings that deal with the annual accounts. At least once per year, the auditor meets with the Board without anyone from the executive management being present.

The remuneration to the auditor is approved by the AGM. Fees for audit work and any fees for other specific assignments are reported by the Board to the general meeting. For more information about remuneration to the auditor, see [note 8](#) in the 2022 consolidated financial statements.



# Shareholder information

## Share price development

Gram Car Carriers ASA has one class of shares. There were 29,285,022 shares issued at the end of 2022, each with a nominal value of NOK 2.91. Following the listing on Euronext Growth and the preceding asset transactions and private placement of new shares, the number of shares issued increased by 563,218 shares during the year.

In 2022, the Gram Car Carrier share traded between NOK 206.00 and NOK 53.17 per share. During the year, 18.1 million shares were traded in total.

## Major shareholders and voting rights

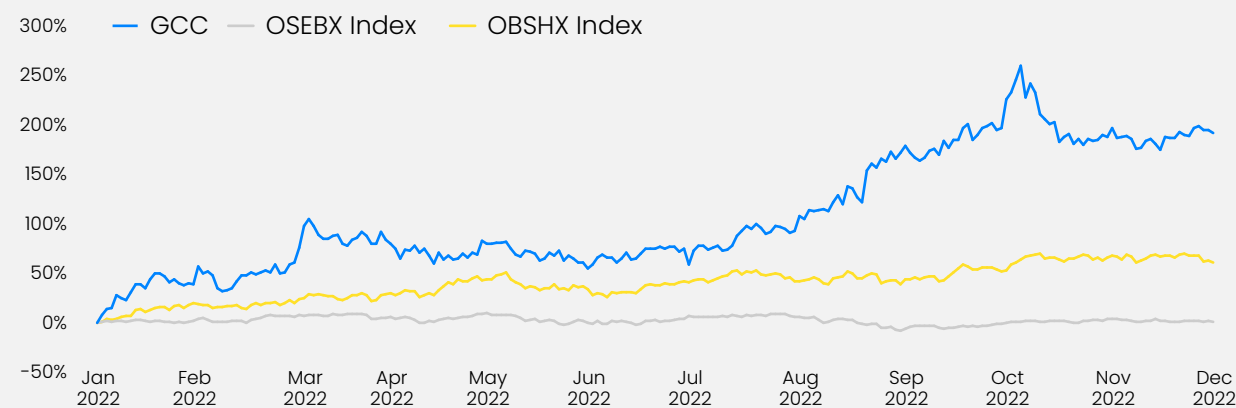
Gram Car Carrier ASA had 1,043 registered shareholders in the Norwegian Central Securities Depository (VPS) on 31 December 2022, whereof the 20 largest shareholders owned 76.7%. The percentage of issued shares held by foreign shareholders was 78.4%. All the shares registered by name carry equal voting rights. The shares are freely negotiable.

### Gram Car Carrier share price development <sup>1</sup>



<sup>1</sup> Source: Euronext

### Gram Car Carrier share price performance vs. OSEBX and OBSHX <sup>1</sup>





### Gram Car Carrier's 20 largest shareholders as at 31 December 2022

Shareholder	No of shares	In % of total
F. Laeisz GmbH	7,945,229	27.13%
AL Maritime Holding Pte. Ltd.	2,686,706	9.17%
Glenrinnas Farms Limited	1,938,782	6.62%
HM Gram Investments III Limited/HM Gram Enterprises Limited/HMG AS	1,790,496	6.11%
Car Carrier Partners L.P.	1,220,901	4.17%
AS Straen	817,688	2.79%
BNP Paribas (nominee)	782,040	2.67%
BNP Paribas (nominee)	710,122	2.42%
Verdipapirfondet DNB SMB	590,577	2.02%
Larsson Shipping AB	589,658	2.01%
Hamilton Carriers Ltd	499,638	1.71%
Hesnes Invest AS	414,136	1.41%
Svenska Handelsbanken AB	389,290	1.33%
BNP Paribas (nominee)	358,683	1.22%
UBS Switzerland AG	354,736	1.21%
Verdipapirfondet Storebrand Norge	301,006	1.03%
Surfside Holding AS	300,000	1.02%
Songa Capital AS	296,681	1.01%
The Bank of New York Mellon	239,111	0.82%
Currus Navi AS	238,009	0.81%
Others	6,821,533	23.29%
<b>Total</b>	<b>29,285,022</b>	<b>100.00%</b>

An overview of the 20 largest shareholders is available on the Gram Car Carrier website, updated every quarter.

### Corporate actions

Corporate action	Date
USD 121 million equity private placement successfully completed	14 Jan 22
Reverse share split registered with the Register of Business Enterprises	18 Jan 22
10,774,182 new shares issued in connection to the USD 121 million private placement	19 Jan 22
8,135,358 new shares issued in connection with vessel acquisition from F. Laeisz GmbH	26 Jan 22
8,236,845 new shares issued to GCC Singapore shareholders in connection with vessel acquisition	26 Jan 22
1,198,024 new shares issued towards the minority shareholders in connection with vessel acquisition	26 Jan 22
Granting of share options to primary insiders and mandatory notifications of trade	29 Aug 22
Application for transfer of shares admitted to trading on Euronext Growth to Oslo Børs	12 Oct 22
563,218 new shares issued in connection with acquisition of Mid-size vessel "Paglia"	30 Nov 22
Approval and publication of prospectus and admission to trading on the Oslo Stock Exchange's main list	30 Nov 22
Gram Car Carriers transfers to Oslo Børs main market	15 Dec 22

### Dividends and dividend policy

The Company's dividend policy is to pay at least 50% of the Group's net profit in dividends on a quarterly basis.

However, any future proposal by the Board of Directors to declare dividends will be subject to applicable laws and will be dependent on a number of factors, including the Company's financial condition, a substantial increase in revenues compare to previous years, a positive net profit on a quarterly and annual basis, capital requirements, general business conditions and other factors that the Board of Directors may deem relevant. In addition, the Board of Directors will, when deciding the annual dividend levels, take into consideration capital expenditure plans, restrictions under the Group's debt facilities, financing requirements and maintaining the appropriate strategic flexibility<sup>1</sup>.

Period	Dividend (USD/share)	Dividend (NOK/share)	Dividend (USD mill.)	Ex-dividend date	Record date	Payable date
Q4 2022	0.169	1.75	4.96	03 Mar 2023	06 Mar 2022	09 Mar 2022
Q3 2022	0.110	1.1897	3.26	09 Nov 2022	10 Nov 2022	21 Nov 2022
Q2 2022	0.093	0.9008	2.67	29 Aug 2022	30 Aug 2022	09 Sep 2022
Q1 2022	0.036	0.3482	1.04	13 May 2022	16 May 2022	09 Jun 2022

### Analyst coverage

Six Norwegian and Nordic investment banks had active coverage of Gram Car Carriers ASA at the end of 2022. For contact details, please see the company website [www.gramcar.com](http://www.gramcar.com).

### General meetings and Board authorisations

The 2022 AGM granted the Board of Directors the following authorisations:

1. The Board of Directors is authorised to increase the Company's share capital by up to NOK 16,743,191. Within this amount, the authorisation may be used one or several times
2. The Board of Directors is authorised to increase the Company's share capital in connection with the Company's incentive schemes by up to NOK 4,185,797. Within this amount, the authorisation may be used one or several times.
3. The Board of Directors is authorised to acquire the Company's own shares, on one or more occasions, with an aggregate par value of up to NOK 4,185,797. The authorisation comprises agreed pledge on the Company's own shares
4. The Board of Directors is authorised to acquire the Company's own shares in connection with the Company's incentive schemes, on one or more occasions, with an aggregate par value of up to NOK 4,185,797. The authorisation comprises agreed pledge on the Company's own shares

Further information can be found in the minutes from the annual general meeting, available from the Company's website [www.gramcar.com](http://www.gramcar.com) and [www.newsweb.no](http://www.newsweb.no).

<sup>1</sup> Any proposal of dividends will be at the discretion of the Board of Directors, and there can be no assurance that in any given quarter or year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy. Dividends will be declared in USD and paid in NOK. Unless otherwise is determined by the Board of Directors, the distribution of a dividend shall constitute repayment of the Company's paid-in capital.

## Financial calendar 2023

<a href="#">Event</a>	<a href="#">Date</a>
Interim report - Q1	21 Apr 2023
Annual general meeting	12 May 2023
Half-yearly interim report - Q2	15 Aug 2023
Interim report - Q3	03 Nov 2023

Please note that the financial calendar may be subject to changes.

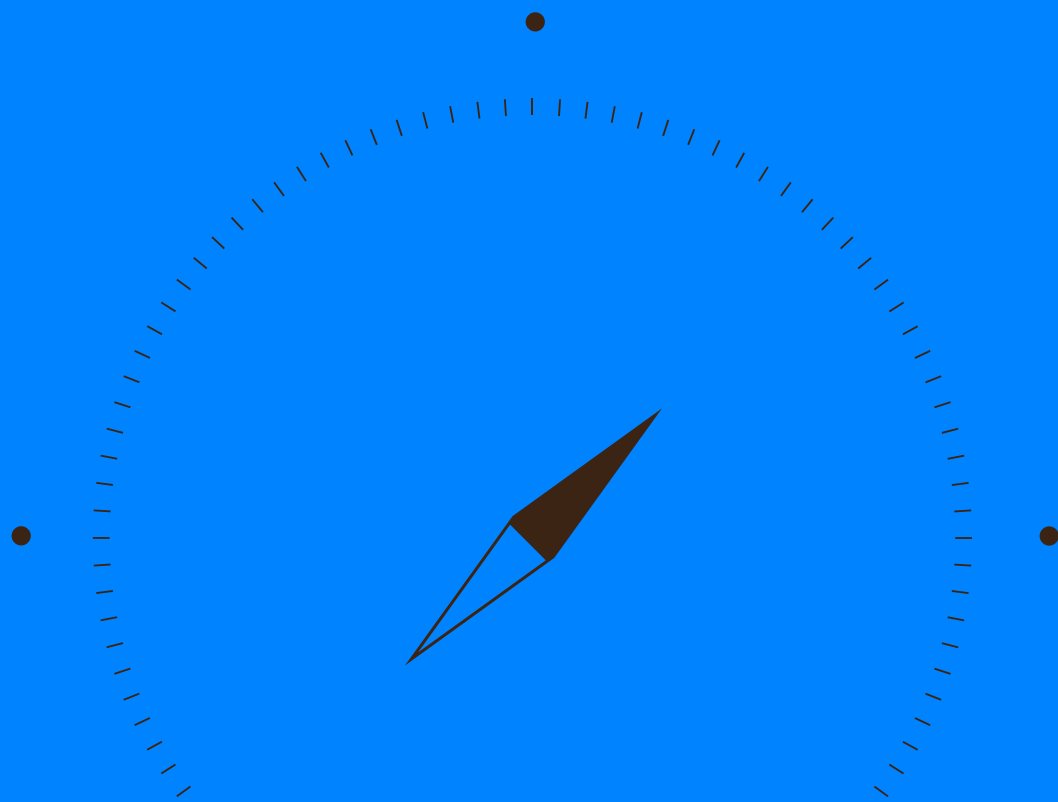
### IR Policy

Gram Car Carrier's IR policy can be found at [www.gramcar.com](http://www.gramcar.com).



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# Consolidated financial statements

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## Consolidated statement of income

In USD thousands	Notes	2022	2021
Operating revenue	6	120,976	78,029
Vessel operating expenses	7	(41,385)	(34,479)
Administrative expenses	8	(8,995)	(8,162)
<b>Operating profit before depreciation (EBITDA)</b>		<b>70,596</b>	<b>35,388</b>
Depreciation	11, 12	(27,470)	(24,792)
<b>Operating profit (EBIT)</b>		<b>43,126</b>	<b>10,596</b>
Financial income	9	1,113	339
Financial expenses	9	(20,362)	(18,402)
<b>Profit/ (loss) before tax (EBT)</b>		<b>23,877</b>	<b>(7,466)</b>
Income tax expense	10	-	(6)
<b>Profit/ (loss) for the period</b>		<b>23,877</b>	<b>(7,472)</b>
Attributable to:			
Equity holders of the parent company		23,877	(7,935)
Non-controlling interests		-	463
		<b>23,877</b>	<b>(7,472)</b>
Earnings per share (USD):			
Basic earnings per share	23	0.83	(0.03)
Diluted earnings per share	23	0.82	(0.01)

## Consolidated statement of comprehensive income

In USD thousands	Notes	2022	2021
Profit/ (loss) for the period		23,877	(7,472)
Exchange differences on translation of foreign operations		(23)	43
<b>Total comprehensive income/ (loss)</b>		<b>23,854</b>	<b>(7,429)</b>
Attributable to:			
Equity holders of the parent company		23,854	(7,892)
Non-controlling interests		-	463

## Consolidated statement of financial position

In USD thousands	Notes	31 Dec 2022	31 Dec 2021	01 Jan 2021 (IFRS) <sup>1</sup>
<b>Assets</b>		<b>609,741</b>	<b>494,683</b>	<b>550,827</b>
Non-current assets		568,858	474,635	492,679
Vessels and other tangible assets	11	568,211	410,605	425,546
Right-of-use assets	12	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	28	-	-	42,669
Inventories		2,088	1,738	2,633
Trade and other receivables	13	4,498	1,839	658
Cash and cash equivalents	14	30,287	15,960	11,571
Other current assets	15	4,010	512	617

In USD thousands	Notes	31 Dec 2022	31 Dec 2021	01 Jan 2021 (IFRS) <sup>1</sup>
<b>Equity and liabilities</b>		<b>609,741</b>	<b>494,683</b>	<b>550,827</b>
Equity	22	243,481	79,239	86,667
Non-current liabilities		297,045	121,397	399,803
Interest-bearing debt - non-current	16	297,045	63,437	327,970
Lease liabilities - non-current	17	-	30,477	46,712
Derivative financial instruments		-	-	163
Redeemable convertible loans	18	-	27,483	24,958
Current liabilities		69,215	294,048	64,357
Interest-bearing debt - current	16	42,271	263,323	4,413
Lease liabilities - current	17	154	16,902	48,439
Trade and other payables	19	10,593	10,596	9,700
Derivative financial instruments		-	98	-
Deferred income	6	16,197	3,129	1,238
Other current liabilities		-	-	567

<sup>1</sup> Reference is made to [note 29](#) - First-time adoption of IFRS

Oslo, 20 April 2023

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

Ivar Hansson Myklebust  
*Chair*

Nikolaus H. Schües  
*Vice Chair*

Alasdair James Dougall Locke

Christine Rødsæther

Nils Kristoffer Gram

Nicolaus Bunnemann

Clivia Catharina Breuel

Georg Alexander Whist

*Chief Executive Officer*

## Consolidated statement of changes in equity

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)
<b>Equity at 31 December 2022</b>		<b>9,822</b>	<b>173,051</b>	<b>(142,818)</b>	<b>202,522</b>	<b>902</b>	<b>-</b>	<b>243,481</b>
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)
<b>Equity at 31 December 2021</b>		<b>230,791</b>	<b>-</b>	<b>(166,695)</b>	<b>964</b>	<b>-</b>	<b>14,178</b>	<b>79,239</b>



## Consolidated statement of cash flows

In USD thousands	Note	2022	2021
Profit/ (loss) for the period		23,877	(7,466)
Financial (income)/ expenses		19,633	17,836
Depreciation	11, 12	27,470	24,792
Share-based payment expense		902	-
Income tax expense		-	(25)
<b>Cash flow from operating activities before changes in working capital</b>		<b>71,882</b>	<b>35,137</b>
Changes in working capital:			
Trade and other receivables		(2,659)	(1,181)
Inventories		(350)	895
Other current assets		(2,987)	105
Other non-current assets		-	-
Trade and other payables		663	1,489
Deferred income		13,068	1,891
<b>Cash flow from operating activities</b>		<b>79,617</b>	<b>38,335</b>

In USD thousands	Note	2022	2021
Investment in vessels and other tangible fixed assets	11	(61,940)	(6,229)
Investment in right-of-use assets	12	(1,080)	(835)
Proceeds from sale of right-of-use assets		-	42,669
Investment in affiliated company		(347)	-
<b>Cash flow (used in)/ from investing activities</b>		<b>(63,368)</b>	<b>35,605</b>
Dividend paid		(7,042)	-
Proceeds from issue of shares	22	58,822	-
Proceeds from issue of debt	16	311,164	-
Proceeds from sale-lease-back financing	11, 16	68,313	-
Repayment of debt	16	(368,116)	(7,393)
Repayment of lease liability	17	(47,226)	(48,140)
Interest paid on interest-bearing debt		(18,760)	(11,157)
Interest paid on lease liabilities		(27)	(2,904)
Other financial items		949	43
<b>Cash flow used in financing activities</b>		<b>(1,923)</b>	<b>(69,551)</b>
Net change in cash and cash equivalents		14,327	4,389
Cash and cash equivalents at beginning of period	14	15,960	11,571
<b>Cash and cash equivalents at end of period</b>		<b>30,287</b>	<b>15,960</b>

# Notes to the consolidated financial statements

## Note 01 General information

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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 included 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 29](#) 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 02 Basis for preparation

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The consolidated financial statements for the period 1 January 2022 – 31 December 2022 are prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and adopted by the European Union.

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

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 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 financial statements, the Group has not identified significant impact to the Group's financial statements as a result of new standards or amendments effective 2023 or later.

## Note 03 Significant accounting policies

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### Consolidation

The 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.

Dividends are recognised when the right to receive payment is established, which is normally when the dividend has been resolved by the general meeting of the entity paying the dividend.

### 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

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

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

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

### Group as lessor

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

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating

leases. Charter income received under operating leases (net of any incentives given to lessee) is recognised in profit or loss on a straight-line basis over the period of the lease term.

### 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.

### Inventories

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 of 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 make contributions towards defined contribution plans in accordance with the Mandatory Occupational Pension act in Norway (“Lov om obligatorisk tjenestepensjon”) and the Central Provident Fund act in Singapore. 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 04 Critical accounting judgements and key sources of estimation uncertainty

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

### Judgements

Management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements apart from 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:

1. The acquisition by the Group of all activities of Gram Car Carriers Holdings Pte. Ltd. and its subsidiaries ('Old Group');
2. The acquisition of two PCTC vessels from a third party, settled with a combination of cash and shares;
3. 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

4. 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 whether it 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 28](#).

### 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:

- 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 05 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: 26.7%, 11.8% and 8.5%). 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	2022	2021
Asia	81,656	51,129
Europe	26,874	21,128
Other	11,951	4,453
<b>Total time charter revenue</b>	<b>120,481</b>	<b>76,710</b>

## Note 06 Operating revenue

In USD thousands	2022	2021
Time charter revenue	120,481	76,710
Time charter hire commissions	(2,271)	(1,055)
Management fees and time charter hire commissions	1,336	444
Other income	1,430	1,930
<b>Total operating revenue</b>	<b>120,976</b>	<b>78,029</b>

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

Deferred income of USD 16,197,000 at 31 December 2022 comprise advance payments from customers (31 December 2021: USD 3,129,000)

Other income of USD 1,430,000 in 2022 include a USD 930,000 receivable under loss of hire insurance and USD 500,000 dividend from Gram Car AS.

Other income of USD 1,930,000 in 2021 relate to an equity distribution from the Norwegian Shipowners' Mutual War Risk Insurance Association, representing the gross distribution before deduction of USD 507,000 of withholding tax which has been recognised as a tax receivable.

Contracted revenue from time charter parties entered into with charterers as at 31 December 2022 are as set out below, based on earlier redelivery dates under the respective charterparties:

In USD thousands	<1 year	1–3 years	4–5 years	>5 years	Total
Time charter revenue	187,880	352,951	274,819	40,776	856,427

Contracted revenues from time charter parties entered into with charterers as at 31 December 2021 are as set out below, based on earlier redelivery dates under the respective charterparties:

In USD thousands	<1 year	1–3 years	4–5 years	>5 years	Total
Time charter revenue	78,526	33,590	-	-	112,116

## Note 07 Vessel operating expenses

In USD thousands	2022	2021
Manning	20,852	18,882
Lubrication oil	2,194	1,718
Repair and maintenance	2,047	1,060
Spare parts	4,278	3,368
Insurance	2,351	1,747
Other	9,663	7,704
<b>Total operating revenue</b>	<b>41,385</b>	<b>34,479</b>

## Note 08 Administrative expenses

In USD thousands	2022	2021
Personnel expenses	5,672	5,408
Legal fees	983	1,417
Audit fees – audit	212	137
Audit fees – non-audit	38	13
Other professional fees	719	585
Other administrative expenses	1,371	602
<b>Total administrative expenses</b>	<b>8,995</b>	<b>8,162</b>

At 31 December 2022 the Group had 17 employees (31 December 2021: 14). Average number of employees during the 12-months' period ending 31 December 2022 was 15 (2021: 15).

Legal fees and other professional fees include transaction fees amounting to USD 435,000 (2021: USD 541,000) incurred in connection with the restructuring (ref [note 4](#)) which are not eligible for capitalisation under other equity. This follows the principle that the equity contributed in kind by Old Group shareholders does not constitute new equity and as such is not eligible for capitalisation.

Other administrative expenses include remuneration to the Board of Directors amounting to USD 367,000 (2021: nil).

Personnel expenses comprise of the following:

In USD thousands	2022	2021
Salaries	2,020	2,006
Payroll taxes	686	238
Bonuses	1,817	2,566
Pensions	128	126
Share-based payment expense ( <a href="#">note 24</a> )	902	371
Other personnel expenses	119	101
<b>Total</b>	<b>5,672</b>	<b>5,408</b>



The Group has defined contribution plans for all employees in accordance with mandatory occupational pension requirements.

### Loans to employees

The Group has provided unsecured loans to employees of NOK 2,103,000 at December 31 2022 (2021: nil). The interest is as per the normal interest rate for the taxation of low-cost loans set by the Norwegian Directorate of Taxes.

### Management remuneration

Details about management remuneration are included in the 2022 remuneration report.

### Bonuses and severance pay

Details about bonus schemes and severance pay for management are included in the 2022 remuneration report.

### Remuneration to Board of Directors

Details about remuneration to Board of Directors of Gram Car Carriers ASA are included in the 2022 remuneration report.

### Share-based payment

In 2022 a long-term incentive programme and share option incentive plan were introduced by the company. Further details about these incentive programs are presented in [note 24](#).

## Note 09 Financial income and expenses

In USD thousands	2022	2021
Interest income	457	-
Other financial income	656	339
<b>Total financial income</b>	<b>1,113</b>	<b>339</b>
Interest expense	(18,522)	(17,615)
Other financial expenses	(1,841)	(787)
<b>Total financial expenses</b>	<b>(20,362)</b>	<b>(18,402)</b>

## Note 10 Income tax

The Company (Gram Car Carriers ASA) is a holding company and subject to ordinary taxation rules in Norway. The ordinary rate of corporation tax in Norway is 22% for 2022 (2021: 22%). The Company has negative taxable income as per 31 December 2022. Deferred tax assets are only recognised to the extent that the future utilisation within the Group can be justified.

The Group's vessels are owned by subsidiaries which are subject to Norwegian tonnage tax. Subsidiaries subject to Norwegian tonnage tax are exempt from ordinary tax on income derived from the operation of vessels in international waters and instead subject to a tonnage tax based on the vessels' net tonnage. Tonnage tax amounted to USD 130,000 for the period 1 January 2021 – 31 December 2022, and is recognised under vessel operating expenses.

Income tax expenses in the financial statement comprises of the following:

In USD thousands	2022	2021
Taxable profit of foreign entities	-	(6)
<b>Total</b>	<b>-</b>	<b>(6)</b>

Reconciliation of income tax expense:

In USD thousands	2022	2021
Profit/ (loss) before tax (EBT)	23,877	(7,466)
Expected tax at ordinary Norwegian tax rate (22%)	(5,253)	1,643
Recognised income tax expense	-	(6)
<b>Difference between expected and recognised income tax expense</b>	<b>(5,253)</b>	<b>1,637</b>

Difference between expected and recognised income tax expense is due to:

In USD thousands	2022	2021 <sup>1</sup>
Deferred tax asset not recognised	1,587	-
Effect of tonnage tax regime	(6,587)	1,637
<b>Difference between expected and recognised income tax expense</b>	<b>(5,253)</b>	<b>1,637</b>

<sup>1</sup> In 2021 the group was subject to the tonnage tax regime in Singapore.

Temporary differences:

In USD thousands	2022	2021
Losses carried forward (tonnage tax regime)	(14,546)	-
Amortised debt issuance cost (tonnage tax regime)	5,749	-
Losses carried forward	(9,027)	(1,816)
Share-based payments	(1,182)	-
Other	(3)	-
<b>Net temporary differences</b>	<b>(19,009)</b>	<b>(1,816)</b>
<b>Net deferred tax asset, 22% tonnage tax regime</b>	<b>1,935</b>	<b>-</b>
<b>Net deferred tax asset, 22%</b>	<b>2,247</b>	<b>400</b>

Utilisation of the tax loss will depend on future taxable income, and in the absence of convincing evidence of such income materialising the criteria for recognising the tax loss carried forward as a deferred tax asset has not been met.

## Note 11 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)
<b>Acquisition cost 31 December 2022</b>	<b>857,279</b>	<b>39</b>	<b>857,318</b>
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
<b>Acc. depreciation and impairment at 31 December 2022</b>	<b>(289,092)</b>	<b>(15)</b>	<b>(289,107)</b>
<b>Carrying amount at 31 December 2022</b>	<b>568,187</b>	<b>24</b>	<b>568,211</b>
Acquisition cost at 1 January 2021	679,000	12	679,012
Additions – Drydocking	3,990	-	3,990
Additions – Technical upgrade	2,224	-	2,224
Additions	-	15	15
<b>Acquisition cost 31 December 2021</b>	<b>685,214</b>	<b>27</b>	<b>685,241</b>
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	-	-	-
<b>Acc. depreciation and impairment at 31 December 2021</b>	<b>(274,630)</b>	<b>(6)</b>	<b>(274,636)</b>
<b>Carrying amount at 31 December 2021</b>	<b>410,584</b>	<b>20</b>	<b>410,605</b>

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 6,628,000 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 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. The purchase price for the vessel comprised the lease liability outstanding at USD 13,148,000.

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. The purchase price for the vessel comprised the lease liability outstanding at USD 27,517,000.

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 16](#).

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 4](#) and [28](#)) 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 12 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-use assets	(78,191)	(244)	(78,435)
<b>Acquisition cost 30 December 2022</b>	<b>-</b>	<b>1,294</b>	<b>1,294</b>
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
<b>Acc. depreciation and impairment at 31 December 2022</b>	<b>-</b>	<b>(1,153)</b>	<b>(1,153)</b>
<b>Carrying amount at 31 December 2022</b>	<b>-</b>	<b>141</b>	<b>141</b>
Acquisition cost at 1 January 2021	126,690	1,287	127,977
Additions – Drydocking	803	-	803
Additions – Technical upgrade	32	-	32
Additions	-	249	249
Disposals of Right-of-use assets	(50,412)	-	(50,412)
<b>Acquisition cost 31 December 2021</b>	<b>77,113</b>	<b>1,537</b>	<b>78,650</b>
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
<b>Acc. depreciation and impairment at 31 December 2021</b>	<b>(14,743)</b>	<b>(1,036)</b>	<b>(15,779)</b>
<b>Carrying amount at 31 December 2021</b>	<b>62,370</b>	<b>501</b>	<b>62,871</b>

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 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 4](#) and [28](#)) 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 13 Trade and other receivables

In USD thousands	31 Dec 2022	31 Dec 2021	31 Dec 2020
Trade receivables	436	245	353
Tax receivables	829	-	-
Other current assets	-	1,458	-
Other receivables	3,232	136	305
<b>Total trade and other receivables</b>	<b>4,498</b>	<b>1,839</b>	<b>658</b>

Tax receivable of USD 829,000 as per 31 December 2022 comprise of input value added tax and withholding tax relating to an equity distribution from the Norwegian Shipowners' Mutual War Risk Insurance Association which is reimbursable to the Group.

Other receivables of USD 3,232,000 as per 31 December 2022 include expected proceeds related to claims under the Group's marine insurance policies.

Other current assets of USD 1,458,000 as per 31 December 2021 comprise transaction fees incurred in connection with the private placement and listing of the Company on the Euronext Growth completed in January 2022 and are eligible for capitalisation. These expenses are recognised under other equity in following the completion of the private placement and listing.

## Note 14 Cash and cash equivalents

In USD thousands	31 Dec 2022	31 Dec 2021	31 Dec 2020
Bank deposits (USD)	27,823	15,756	11,215
Bank deposits (NOK)	1,222	41	179
Bank deposits (NOK) – Restricted (employee withholding tax account)	1,048	89	92
Bank deposits (SGD)	53	74	85
Bank deposits (EUR)	74	-	-
Cash	67	-	-
<b>Total cash and cash equivalents</b>	<b>30,287</b>	<b>15,960</b>	<b>11,571</b>

## Note 15 Other current assets

In USD thousands	31 Dec 2022	31 Dec 2021	31 Dec 2020
Deposits	196	206	215
Other current assets	3,814	306	402
<b>Total other current assets</b>	<b>4,010</b>	<b>512</b>	<b>617</b>

## Note 16 Interest-bearing debt

USD thousands	31 Dec 2022	31 Dec 2021	1 Jan 2021
Interest-bearing debt – non-current	303,372	63,437	328,530
Amortised debt issuance costs	(6,327)	-	(560)
<b>Total non-current interest-bearing debt</b>	<b>297,045</b>	<b>63,437</b>	<b>327,970</b>
Interest-bearing debt – current	42,271	263,323	4,413
<b>Total interest-bearing debt</b>	<b>339,316</b>	<b>326,760</b>	<b>332,383</b>

In January 2022, the Group entered into a USD 222 million senior secured credit facility agreement for the refinancing of 13 PCTC vessels, 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 and entered into a USD 15 million senior secured credit facility agreement to finance the vessel. Collateral under the facility comprises the two PCTC vessels Viking Drive and Viking Princess.

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.

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.

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
					<b>345,643</b>
Amortised debt issuance costs					(6,327)
<b>Total interest-bearing debt at 31 December 2022</b>					<b>339,316</b>

The USD 302 million and USD 15 million senior secured credit facilities are secured by mortgages over 17 of the Group's vessels. In addition, the debts are secured by assignment of earnings and insurances.

Details of interest-bearing debt at 31 December 2021 and 1 January 2021 are as follows:

USD thousands	Currency	Facility amount	Margin	Maturity	31 Dec 2021	1 Jan 2021
USD 257m senior secured credit facility	USD	257,000	3.00%	Jan 2022	258,223	263,131
USD 96m senior secured credit facility	USD	96,000	2.85%	Apr 2023	68,537	69,812
					<b>326,760</b>	<b>332,943</b>
Amortised debt issuance costs					-	(560)
<b>Total interest-bearing debt</b>					<b>326,760</b>	<b>332,383</b>

Reconciliation of movements in Group's interest-bearing debt for the 12-months' period ending 31 December 2022 and year ending 31 December 2021:

USD thousands	2022	2021
Interest-bearing debt (current and non-current) at beginning of period	326,760	332,383
Repayment of debt	(368,116)	(7,393)
Interest capitalised to loan	-	1,210
Issuance of new debt	387,000	-
Debt issuance costs	(7,523)	-
Non-cash amortisation of debt issuance costs	1,196	560
<b>Interest-bearing debt (current and non-current) at end of period</b>	<b>339,316</b>	<b>326,760</b>

## Note 17 Lease liabilities

Lease liabilities amounting to USD 154,000 as per 31 December 2022 comprise of lease liabilities relating to the office premises in Oslo and Singapore, all of which are current and due within 12-months'.

Details of lease liabilities at 31 December 2021 and 1 January 2021 are as follows:

USD thousands	Currency	Facility amount	Margin	Maturity	31 Dec 2021	1 Jan 2021
Lease (Viking Destiny)	USD	41,702	3.85%	Mar 2027	32,774	34,546
Lease (Viking Drive)	USD	19,000	2.85%	May 2022	14,011	14,627
Lease (Viking Conquest)	USD	52,000	3.00%	Aug 2021	-	45,274
Other lease liabilities	USD				594	704
<b>Total lease liabilities</b>					<b>47,379</b>	<b>95,151</b>

Reconciliation of movements in Group's lease liabilities for the 12-months' period ending 31 December 2022 and year ending 31 December 2021:

USD thousands	2022	2021
Lease liabilities (current and non-current) at beginning of period	47,379	95,151
Repayment of lease liabilities	(47,226)	(48,140)
Addition	-	249
Interest capitalised	-	393
Non-cash amortisation of interest	-	(274)
<b>Lease liabilities (current and non-current) at end of period</b>	<b>154</b>	<b>47,379</b>

In April 2022, the Group completed a refinancing of the lease for the PCTC vessel Viking Drive, whereby the Group exercised a purchase option and entered into a senior secured credit facility agreement to finance the vessel, ref [note 11](#) and [12](#).



In August 2022 the Group completed a refinancing of a lease for the PCTC vessel Viking Destiny, whereby the Group exercised a purchase option and entered into a USD 40 million accordion term loan under the existing senior secured credit facility agreement to finance the vessel, ref [note 11](#) and [12](#).

## Note 18 Redeemable convertible loans

In July 2019 redeemable convertible loans with nominal value of 15,000,000 and coupon at 10% per annum were issued by Gram Car Carriers Holdings Pte. Ltd., the ultimate parent company of the Old Group. In September 2020 additional redeemable convertible loans with nominal value of USD 7,502,000 were issued on the same terms. In January 2022 in connection with the restructuring (ref [note 4](#)), all redeemable convertible loans and accrued interest had been converted into ordinary shares of Gram Car Carriers Holdings Pte. Ltd. at conversion price USD 0.05 per ordinary share.

Reconciliation of movements in Group's redeemable convertible loans for the 12-months' period ending 31 December 2022 and year ending 31 December 2021:

USD thousands	2022	2021
Redeemable convertible loans (incl. capitalised interest) at beginning of period	27,483	24,958
Interest capitalised	186	2,525
Conversion of redeemable convertible loans to equity	27,669	-
<b>Redeemable convertible loans (incl. accrued interest) at end of period</b>	<b>-</b>	<b>27,483</b>

## Note 19 Trade and other payables

In USD thousands	31 Dec 2022	31 Dec 2021	1 Jan 2021
Trade payables	1,448	354	1,745
Accrued interest	1,087	1,819	2,394
Accrued expenses	6,000	7,742	5,535
Other payables	2,058	681	26
<b>Total trade and other payables</b>	<b>10,593</b>	<b>10,596</b>	<b>9,700</b>

## Note 20 Transactions with related parties

In January 2022, the Group acquired the two PCTC vessels Passama and Passero (later renamed Viking Passama and Viking 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.

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	2022	2021
Technical ship management fees	Reederei F. Laeisz G.m.b.H.	(343)	-
Charter hire commissions	Martini Dry Chartering GmbH & Co. KG	(187)	-
Commissions	Global Auto Carriers Group	341	-
Trademark license	P D Gram & Co AS	(206)	-

All related party transactions are carried out at market terms.

## Note 21 Group companies

Overview of the Company's subsidiaries as listed below:

Name of company	Principal Activities	Place of business/incorporation	Ownership
Gram Car Carriers Shipowning AS	Shipowning	Norway	100%
Gram Car Carriers Leasing 1 AS	Shipowning	Norway	100%
Gram Car Carriers Leasing 2 AS	Shipowning	Norway	100%
Gram Car Carriers Leasing 3 AS	Shipowning	Norway	100%
Gram Car Carriers Management AS	Management company	Norway	100%
Gram Car Carriers Services Pte. Ltd.	Management company	Singapore	100%

Gram Car Carriers Leasing 2 AS has been liquidated in 2023.

## Note 22 Share capital and shareholders

In USD thousands	No. of shares	Share capital
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
<b>31 December 2022</b>	<b>29,285,022</b>	<b>9,822</b>
3 August 2021 (date of incorporation)	1,000,000	113
Shares capital increase 12 October 2021 (reduction par value)	-	12
Split par value (1:10)	9,000,000	-
<b>31 December 2021</b>	<b>10,000,000</b>	<b>125</b>

On 17 January 2022, the Board of Directors had proposed, and an extraordinary general meeting 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 extraordinary general meeting 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.

Largest shareholders at 31 December 2022 are set out below:

Shareholder	No of shares	In % of total
F. Laeisz GmbH	7,945,229	27.13%
AL Maritime Holding Pte. Ltd.	2,686,706	9.17%
Glenrinnes Farms Limited	1,938,782	6.62%
HM Gram Investments III Limited/HM Gram Enterprises Limited/HMG AS	1,790,496	6.11%
Car Carrier Partners L.P.	1,220,901	4.17%
AS Straen	817,688	2.79%
BNP Paribas (nominee)	782,040	2.67%
BNP Paribas (nominee)	710,122	2.42%
Verdipapirfondet DNB SMB	590,577	2.01%
Larsson Shipping AB	589,658	2.01%
Hamilton Carriers Ltd	499,638	1.71%
Hesnes Invest AS	414,136	1.41%
Svenska Handelsbanken AB	389,290	1.33%
BNP Paribas (nominee)	358,683	1.22%
UBS Switzerland AG	354,736	1.21%
Verdipapirfondet Storebrand Norge	301,006	1.03%
Surfside Holding AS	300,000	1.02%
Songa Capital AS	296,681	1.01%
The Bank of New York Mellon	239,111	0.82%
Currus Navi AS	238,009	0.81%
Others	6,821,533	23.29%
<b>Total</b>	<b>29,285,022</b>	<b>100.00%</b>

Management and Board Members' shareholdings in the Company are set out below:

Name	Position	Held through	No of shares	In % of total
Georg A. Whist	Chief Executive Officer	Currus Navi AS	238,009	0.81%
Børre Mathisen	Chief Operating Officer		30,035	0.10%
Gunnar Koløen	Chief Financial Officer		18,745	0.06%
Harald Mathias Gram	Head of Projects	HM Gram Investments III Limited/HM Gram Enterprises Limited/HMG AS	1,790,496	6.11%
Ivar Hansson Myklebust	Chair of the Board	H & M Hinderaker & Myklebust AS	30,000	0.10%
Nikolaus H. Schües	Vice Chair	F. Laeisz GmbH	7,945,229	27.13%
Alasdair James Dougall Locke	Board Member	Glenrinnes Farms Limited	1,938,782	6.62%
Christine Rødsæther	Board Member		18,745	0.06%
Nils Kristoffer Gram	Board Member		2,800	0.01%
Clivia Catharina Breuel	Board Member	AL Maritime Holding Pte. Ltd. <sup>1</sup>	2,686,706	9.17%
<b>Total</b>			<b>14,699,547</b>	<b>50.19%</b>

<sup>1</sup> AL Maritime Holding Pte. Ltd. is a close associate of Clivia Catharina Breuel and alternate Board member Nicolaus Bunnemann.

## Note 23 Earnings per share

USD thousands	2022	2021
<b>Earnings:</b>		
Earnings for the purpose of basic earnings per share being profit/ (loss) for the period attributable to the equity holders of the parent company	23,877	(7,472)
<b>Number of shares:</b>		
Weighted average number of shares for the purpose of basic earnings per share	28,772,725	291,548,926
Effect of dilutive potential shares:		
Redeemable preference shares	-	28,441,414
Redeemable convertible loans	-	543,217,153
Long-term incentive program	326,575	-
Share option incentive plan	79,337	7,412,875
<b>Weighted average number of shares for the purpose of diluted earnings per share</b>	<b>29,178,637</b>	<b>870,620,368</b>
Earnings per share (USD):		
<b>Basic earnings per share</b>	<b>0.83</b>	<b>(0.03)</b>
<b>Diluted earnings per share</b>	<b>0.82</b>	<b>(0.01)</b>

## Note 24 Share-based payments

The Group has two long-term incentive programmes for employees involving share-based compensation.

### Long-term incentive program

During 2022 a long-term incentive program for all employees of the Group was introduced. The purpose of the long-term incentive program is to increase the employees' ownership in the Company, align employees' interests with the interests of the Company's shareholders, and to reinforce their identification with the Company and the development of long-term values. A total of 13 employees, have committed to participate in the program, all of which have committed to lock-up a number of their shares for the duration of the program. The award date of the program was 10 July 2022 and the vesting period for the program is from the award date until 30 May 2025.

Pursuant to the program, the participants will upon completion of the vesting period receive three shares per committed share, each contingent on the following criteria:

1. In order to participate in the program, and to receive the first matching share, is that the participants comply with the lock-up of their respective shares and continue to be employed by the Group during the vesting period.
2. The second matching share depends on the annual shareholder return and/or share performance during the vesting period, based on the development of the share price in the same period. The assessment of the development shall take into account any dividends paid during the period. Between 8% and 12% shares are earned on a linear scale, where 8% is zero and 12% is one share.
3. The third matching share is linked to the Group's ESG rating in the annual ESG survey conducted by Position Green Advisory AS, and depends on the rating of the Company as at the last day of the vesting period. The minimum requirement for any third matching share is a rating of C, and a rating of B qualifies for one full share.

As of 31 December 2022, the participating employees have committed a total of 94,634 shares in connection with the program meaning up to 283,902 new shares in aggregate may be issued as part of the program. The estimated fair value of the program at the grant date was USD 1,105,000.

### Share option incentive plan

During 2022 the Group also introduced a share option incentive plan for executive management. The program has a vesting period from 26 August 2022 (the grant date) until 12 May 2025, with one third of the options vesting each year. The strike price for the options has initially been set to NOK 94.6154, based on the 5-trading day volume weighted average price (VWAP) as of the annual general meeting of the Company held on 12 May 2022. The strike price will be subject to an annual increase of 10% on a non-accumulating basis up to the exercise date, adjusted for any dividends paid by the Company in the period. Subject to options having vested, the option holder may exercise the options each year during pre-set exercise periods. Exercised options will primarily be settled in shares, but may be settled in cash at the discretion of the Board of Directors. The options expire 12 May 2027, two years after the last vesting date.

As of 31 December 2022, a total of 800,000 share options have been issued under the program. Each option, when exercised, carries the right to acquire one share in the Company.

The fair value of share options is estimated using the Black-Scholes option pricing model for each tranche.

The significant assumptions used to estimate fair value of the share options are as follows:

	800,000
	share options
<hr/>	
Grant date	26 Aug 2022
Share price at grant date (in NOK)	108.00
Strike (in NOK) <sup>1</sup>	104.08–141.92
Expected volatility <sup>2</sup>	40.00%
Risk free interest rate	3.00%
Weighted average contractual life (in years)	4.71
Fair value of each share option at grant date (in NOK)	31.64

<sup>1</sup> The strike price for the share options has initially been set to NOK 94.6154, based on the 5-trading day volume weighted average price (VWAP) as of the annual general meeting of the Company held on 12 May 2022. The strike price will be subject to an annual increase of 10% on a non-accumulating basis up to the exercise date, adjusted for any dividends paid by the Company in the period.

<sup>2</sup> The expected volatility is based on the volatility for a selection of comparable peer companies.

## Note 25 Financial instruments

Categories of financial assets are set out below:

USD thousands	31 Dec 2022	31 Dec 2021	1 Jan 2021
<b>Instruments at amortised cost:</b>			
Other non-current assets	506	1,159	1,159
Trade and other receivables	4,498	1,839	658
Cash and cash equivalents	30,287	15,960	11,571
<b>Total financial assets</b>	<b>35,291</b>	<b>18,958</b>	<b>13,388</b>

Fair value of trade and other receivables and cash and cash equivalents approximate their carrying amounts measured at amortised cost due to the short-term maturities of these assets.

Categories of financial liabilities are set out below:

USD thousands	31 Dec 2022	31 Dec 2021	1 Jan 2021
<b>Instruments at amortised cost:</b>			
Interest-bearing debt	339,316	326,760	332,383
Lease liabilities	154	47,379	95,151
Redeemable convertible loans	-	27,483	24,958
Trade and other payables	10,593	10,596	9,700
<b>Instruments at fair value through profit and loss:</b>			
Derivative financial instruments (interest rate caps)	-	98	163
<b>Total financial liabilities</b>	<b>350,063</b>	<b>412,316</b>	<b>462,355</b>

The fair market value of interest-bearing debt is estimated by discounting future cash flows using rates for debt on similar terms, credit risk and remaining maturities. Fair value of interest-bearing debt approximate the carrying amounts as there have been no significant changes in the market rates for similar debt financing between the date of securing the financing and the reporting date.

The fair market value of derivative financial instruments has been determined using appropriate market information and valuation techniques.

## Note 26 Financial risks and capital management

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and other risks that may impact on the value of assets, liabilities and future cash flows.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has limited exposure to currency risk since the commercial transactions are primarily in United States dollar which is the functional currency of the Company and most of its subsidiaries. All the Groups' interest-bearing debt and lease liabilities are denominated in USD. The Group has exposure to NOK and SGD as certain expenses and a portion of cash and cash equivalents, other current assets, trade and other payables and other current liabilities are in NOK and SGD. No financial instruments have been entered into to mitigate this risk as the impact is not considered to be material.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Group is exposed to significant interest rate risks arising from its floating rate interest-bearing debt. The Group's bank borrowings at variable rates are denominated mainly in USD. The Group may from time to time seek to mitigate a substantial portion of this exposure by entering into derivative financial instruments, including interest rate swaps and/or interest rate caps. As per 31 December 2022 the Group had not entered into any such instruments. A 50 basis points increase in the short-term US Libor rate would increase interest expense by about 7% during the 12-months' financial period ending 31 December 2022. Total floating rate interest-bearing debt as at 31 December 2022 was USD 345,643,000.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise credit risk, the Group aims to enter into contracts only with creditworthy counterparts. Prior to entering into charter parties, the Group evaluates each customer by making an assessment of their financial position, past performance and other factors. Charter hire is paid in advance, effectively reducing potential exposure to credit risk. Bank deposits are only deposited with internationally recognised financial institutions.

Liquidity risk refers to the risk of the Group not being able to meet its financial obligations when they fall due. The Group continuously monitors its projected cash flows and liquidity and maintains a level of cash and cash equivalents and/or undrawn committed credit facilities deemed adequate to finance the Group's operations and to ensure the ability to meet its obligations at all times.



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

USD thousands	< 1 year	1–3 years	4–5 years	> 5 years	Total
Interest-bearing debt	42,271	83,990	187,768	31,615	345,643
Lease liabilities	154	-	-	-	154
Interest	24,874	34,057	9,853	3,388	72,172
Trade and other payables	10,593	-	-	-	10,593

Details of the Group's contractual maturities of financial liabilities on a non-discounted basis as at 31 December 2021 are as follows:

USD thousands	< 1 year	1–3 years	4–5 years	> 5 years	Total
Interest-bearing debt	263,323	63,437	-	-	326,760
Lease liabilities	16,902	5,240	5,025	20,212	47,379
Redeemable convertible loans	27,483	-	-	-	27,483
Interest	6,021	3,844	2,452	265	12,582
Trade and other payables	10,956	-	-	-	10,956
Derivative financial instruments	98	-	-	-	98

### Capital management

A key objective of the Group's capital management is to ensure that the Group maintains a sound capital structure and adequate liquidity to support its business activities and maximise shareholder value. The Group continuously evaluates its capital structure based on current and projected cash flows, prevailing market conditions, growth opportunities and financial commitments.

The Group monitors its capital structure using equity ratio and cash and cash equivalents measured against total interest-bearing debt outstanding. As at 31 December 2022 the book equity ratio was 40.0%. Cash and cash equivalents represent 8.0% of total interest-bearing debt outstanding.

Financial covenants include 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. The Group aims at maintaining a capital structure with adequate headroom on all these requirements.

The Company has a stated policy of returning 50% of net profits to shareholders by way of dividends or distribution of paid up capital. During the period 1 January 2022 – 31 December 2022 the Company has made a total of NOK 70,044,000 in distributions to shareholders. An additional distribution was approved by the Board of directors on 8 February 2023, resulting in a distribution of NOK 51,249,000 to shareholders in March 2023.

## Note 27 Subsequent events

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Subsequently to the balance sheet date the Group has entered into new time charter parties with estimated total gross revenue amounting to USD 60.8 million.

## Note 28 Adjustments relating to comparative period figures for the year ended 31 December 2021

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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	Notes	Old Group 2021 <sup>1</sup>	Going concern adj	2021 <sup>1</sup>
Operating revenue		78,029	-	78,029
Vessel operating expenses		(34,479)	-	(34,479)
Administrative expenses		(8,162)	-	(8,162)
Operating profit before depreciation (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)
Loss before tax (EBT)		(48,341)	40,875	(7,466)
Income tax expense		(6)	-	(6)
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)

<sup>1</sup> Prepared in accordance with Singapore Financial Reporting Standards (Singapore FRS), reference is made to [Note 29](#) – First-time adoption of IFRS.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

In USD thousands	Note	Old Group 31 Dec 2021 <sup>1</sup>	Going concern adj	Reclassification	31 Dec 2021 <sup>1</sup>
<b>Assets</b>		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)	-	-
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
<b>Equity and liabilities</b>		454,496	40,875	(686)	494,683
<b>Equity</b>	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

<sup>1</sup> Prepared in accordance with Singapore Financial Reporting Standards (Singapore FRS), reference is made to [Note 29](#) – 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 29** First-time adoption of IFRS

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The consolidated financial statements for the period 1 January 2022 – 31 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 31 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 28](#).

**STATEMENT OF FINANCIAL POSITION AT 1 JANUARY 2021**

In USD thousands	Singapore FRS	Adjustments	IFRS
<b>Assets</b>	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
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
<b>Equity and liabilities</b>	550,827	-	550,827
<b>Equity</b>	86,667	-	86,667
Non-current liabilities	399,803	-	399,803
Interest-bearing debt – non-current	327,970	-	327,970
Lease liabilities – non-current	46,712	-	46,712
Redeemable convertible loans	24,958	-	24,958
Derivative financial instruments	163	-	163
Current liabilities	64,357	-	64,357
Interest-bearing debt – current	4,413	-	4,413
Lease liabilities – current	48,439	-	48,439
Trade and other payables	9,700	-	9,700
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 <sup>1</sup>	Adjustments	IFRS
<b>Assets</b>	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
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
<b>Equity and liabilities</b>	494,683	-	494,683
Equity	79,239	-	79,239
Non-current liabilities	121,397	-	121,397
Interest-bearing debt – non-current	63,437	-	63,437
Lease liabilities – non-current	30,477	-	30,477
Redeemable convertible loans	27,483	-	27,483
Current liabilities	294,048	-	294,048
Interest-bearing debt – current	263,323	-	263,323
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

<sup>1</sup> Adjusted Singapore FRS, reference is made to [Note 28](#) – 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)
Operating profit before depreciation (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)
Loss before tax (EBT)	(7,466)	-	(7,466)
Income tax expense	(6)	-	(6)
Loss for the period	(7,472)	-	(7,472)
Exchange differences on translation of foreign operations	43	-	43
Total comprehensive loss	(7,429)	-	(7,429)

<sup>1</sup> Adjusted Singapore FRS, reference is made to [Note 28](#) – Adjustments relating to comparative period figures for the year ended 31 December 2021.

# Parent company financial statements

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## Statement of income

In USD thousands	Notes	2022	3 Aug 2021 (date of incorporation) – 31 Dec 2021
Administrative expenses	4	(4,562)	(608)
<b>Operating loss (EBIT)</b>		<b>(4,562)</b>	<b>(608)</b>
Financial income	5	2,988	-
Financial expenses	5	(7,101)	-
<b>Loss before tax (EBT)</b>		<b>(8,676)</b>	<b>(608)</b>
Income tax expense	6	-	-
<b>Loss for the period</b>		<b>(8,676)</b>	<b>(608)</b>

## Statement of financial position

In USD thousands	Notes	31 Dec 2022	31 Dec 2021
<b>Assets</b>		<b>194,347</b>	<b>2,106</b>
Non-current assets		148,891	1,014
Investment in subsidiaries	7	148,891	1,014
Current assets		45,456	1,092
Trade and other receivables		187	-
Loans to subsidiaries	9	43,405	-
Cash and cash equivalents		1,739	5
Other current assets	8	126	1,087

In USD thousands	Notes	31 Dec 2022	31 Dec 2021
<b>Equity and liabilities</b>		<b>194,347</b>	<b>2,106</b>
Equity		161,750	505
Current liabilities		32,597	1,601
Trade and other payables		678	1,601
Loans from subsidiaries	9	31,919	-

Oslo, 20 April 2023

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

Ivar Hansson Myklebust  
*Chair*

Nikolaus H. Schües  
*Vice Chair*

Alasdair James Dougall Locke

Christine Rødsæther

Nils Kristoffer Gram

Nicolaus Bunnemann

Clivia Catharina Breuel

Georg Alexander Whist  
*Chief Executive Officer*

## Statement of changes in equity

In USD thousands	Notes	Share capital	Share premium	Acc. losses	Other equity	Share-based payments reserve	Total
<b>1 January 2022</b>		125	6,670	(608)	(5,681)	-	505
Capital increase - private placement (cash)		3,623	62,259	-	-	-	65,882
Capital increase - private placement (contribution in kind)		2,736	47,010	-	-	-	49,746
Capital increase - contribution in kind (Old Group equity holders and non-controlling interests)		3,172	54,520	-	-	-	57,693
Capital increase		166	9,634	-	-	-	9,800
Transaction costs		-	-	-	(7,060)	-	(7,060)
Dividend distribution		-	(7,042)	-	-	-	(7,042)
Share-based payment		-	-	-	-	902	902
Loss for the period		-	-	(8,676)	-	-	(8,676)
<b>31 December 2022</b>		<b>9,822</b>	<b>173,051</b>	<b>(9,284)</b>	<b>(12,741)</b>	<b>902</b>	<b>161,750</b>
At incorporation 3 August 2021		113	-	-	-	-	113
Acquisition of Gram Car Carriers Management AS		12	6,670	-	(5,681)	-	1,000
Loss for the period		-	-	(608)	-	-	(608)
<b>31 December 2021</b>		<b>125</b>	<b>6,670</b>	<b>(608)</b>	<b>(5,681)</b>	<b>-</b>	<b>505</b>

## Statement of cash flows

In USD thousands	Note	31 Dec 2022	3 Aug 2021 (date of incorporation) – 31 Dec 2021
Loss for the period		(8,676)	(608)
Share-based payment expense		902	-
Cash flow from operating activities before changes in working capital		(7,774)	(608)
Changes in working capital:			
Trade and other receivables		(187)	-
Loans to subsidiaries		4,722	-
Other current assets		961	(1,087)
Trade and other payables		(923)	1,601
Loans from subsidiaries		280	-
<b>Cash flow used in operating activities</b>		<b>(2,920)</b>	<b>(94)</b>
Investment in subsidiaries		-	(14)
Loans to subsidiaries		(56,253)	
Repayment of loans to subsidiaries		9,217	
<b>Cash flow used in investing activities</b>		<b>(47,126)</b>	<b>(14)</b>
Dividend paid		(7,042)	-
Proceeds from issue of shares		58,822	113
<b>Cash flow from financing activities</b>		<b>51,780</b>	<b>113</b>
Net change in cash and cash equivalents		1,734	5
Cash and cash equivalents at beginning of period		5	-
<b>Cash and cash equivalents at end of period</b>		<b>1,739</b>	<b>5</b>

# Notes to the financial statements

## Note 01 General information

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Gram Car Carriers ASA (the 'Company' or the 'Parent 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. The principal activities of the Company is to be a holding company for its subsidiaries which owns and operate vessels in the pure car and truck carriers ('PCTC') shipping segment.

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

The Company has no employees as at 31 December 2022.

## Note 02 Basis for preparation

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The financial statements for the period 1 January 2022 – 31 December 2022 are prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and adopted by the European Union.

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

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

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

Only standards and interpretations that are applicable to the Company have been included and the Company 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 Company will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the financial statements are issued. At the date of the approval of these FS, the Company has not identified significant impact to the Company FS as a result of new standards or amendments effective 2023 or later.

## Note 03 Significant accounting policies

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### Administrative expenses

Administrative 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.

### 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.

Dividend income is recognised when the right to receive payment is established, which is normally when the dividend has been resolved by the general meeting of the entity paying the dividend.

### 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.

### 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.

### 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.

### Investments in subsidiaries

Shares in subsidiaries are recorded at acquired cost and reviewed for impairment when indications are identified suggesting the carrying amount may not be recoverable.

### 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.

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

## Note 04 Administrative expenses

In USD thousands	2022	3 Aug 2021 (date of incorporation) – 31 Dec 2021
Personnel expenses	1,197	-
Legal fees	602	409
Audit fees – audit	178	13
Audit fees – non-audit	38	-
Other professional fees	490	162
Other administrative expenses	2,057	24
<b>Total administrative expenses</b>	<b>4,562</b>	<b>608</b>

The Company has no employees. Personnel expenses relate to share-based incentive plans for employees of the Company's subsidiaries. Further details about these incentive programs are presented in [note 11](#) and the 2022 remuneration report.

Legal fees and other professional fees include transaction fees amounting to USD 435,000 (2021: USD 541,000) incurred in connection with the restructuring (ref [note 4](#) of the Group's consolidated financial statements) which are not eligible for capitalisation under other equity.

Other administrative expenses include remuneration to the Board of Directors amounting to USD 367,000 (2021: nil). Details about remuneration to Board of Directors are included in the 2022 remuneration report.

## Note 05 Financial income and expenses

In USD thousands	2022	3 Aug 2021 (date of incorporation) – 31 Dec 2021
Interest income	32	-
Interest income – loans to subsidiaries	1,476	-
Guarantee fees from subsidiaries	463	-
Foreign exchange gains	1,017	-
<b>Total financial income</b>	<b>2,988</b>	<b>-</b>
Foreign exchange losses	(7,101)	-
<b>Total financial expenses</b>	<b>(7,101)</b>	<b>-</b>

## Note 06 Income tax

The Company (Gram Car Carriers ASA) is a holding company and subject to ordinary taxation rules in Norway. The ordinary rate of corporation tax in Norway is 22% for 2022 (2021: 22%). The Company has negative taxable income as per 31 December 2022. Deferred tax assets are only recognised to the extent that the future utilisation can be justified.

Taxable income for the year:

In USD thousands	2022	3 Aug 2021 (date of incorporation) – 31 Dec 2021
Loss before tax (EBT)	(8,676)	(608)
Non-deductible expenses	(6,282)	-
Difference in functional currency (USD/NOK)	6,739	-
Change in temporary differences	1,182	-
<b>Taxable income for the year</b>	<b>(7,037)</b>	<b>(608)</b>

Reconciliation of tax expense:

In USD thousands	2022	3 Aug 2021 (date of incorporation) – 31 Dec 2021
Profit/ (loss) before tax (EBT)	(8,676)	(608)
Expected tax at ordinary Norwegian tax rate (22%)	1,909	134
Recognised tax expense	-	-
<b>Difference between expected and recognised income tax expense</b>	<b>1,909</b>	<b>134</b>

The difference is due to:

In USD thousands	2022	3 Aug 2021 (date of incorporation) – 31 Dec 2021
Deferred tax asset not recognised	1,793	134
Exchange rate differences	116	-
<b>Difference between expected and recognised income tax expense</b>	<b>1,909</b>	<b>134</b>

Temporary differences:

In USD thousands	2022	3 Aug 2021 (date of incorporation) – 31 Dec 2021
Losses carried forward	(7,579)	(608)
Share based payments	(1,182)	-
<b>Net temporary differences</b>	<b>(8,761)</b>	<b>(608)</b>
<b>Net deferred tax asset (22%)</b>	<b>1,927</b>	<b>134</b>
<b>Net deferred tax asset (recognised)</b>	<b>-</b>	<b>-</b>

Utilisation of the tax loss will depend on future taxable income, and in the absence of convincing evidence of such income materialising the criteria for recognising the tax loss carried forward as a deferred tax asset has not been met.



## Note 07 Investments in subsidiaries

Name of company	Principal Activities	Place of business/ incorporation	Ownership	Equity investment at cost
Gram Car Carriers Shipowning AS	Shipowning	Norway	100%	118,318
Gram Car Carriers Leasing 1 AS	Shipowning	Norway	100%	15,061
Gram Car Carriers Leasing 2 AS	Shipowning	Norway	100%	14,249
Gram Car Carriers Leasing 3 AS	Shipowning	Norway	100%	264
Gram Car Carriers Management AS	Management company	Norway	100%	1,000
<b>Total</b>				<b>148,891</b>

Investment in subsidiaries during the financial period ending 31 December 2022 comprises of subscription for shares against cash and/or contribution in kind in connection with the acquisition of the 19 PCTC vessels acquired by the Company and the subsidiaries during the period.

Gram Car Carriers Leasing 2 AS has been liquidated during 2023.

## Note 08 Other current assets

In USD thousands	31 Dec 2022	31 Dec 2021
Transaction costs	-	1,087
Other current assets	126	-
<b>Total other current assets</b>	<b>126</b>	<b>1,087</b>

The Company had as per 31 December 2021 incurred transaction costs related to the private placement carried out in January 2022 amounting to USD 1,628,000 of which USD 1,087,000 are eligible for capitalisation against other equity in connection with the completion of the private placement.

## Note 09 Transactions with related parties

The Company has provided guarantees in connection with senior secured credit facilities and bareboat charter parties entered into by its subsidiaries. The Company receives fees from the subsidiaries for having provided these guarantees. Such fees are in accordance with the Company's transfer pricing guidelines which are based on the arms' length principle and compliant with OECD guidelines.

Loans to/from subsidiaries are subject to interest at SOFR/NIBOR plus an intercompany agreed margin in accordance with the Company's transfer pricing guidelines which are based on the arms' length principle and compliant with OECD guidelines.

The Company has no employees and buys services from subsidiaries related to administrative services. The fees for these services are based on actual cost plus a margin in accordance with the Company's transfer pricing guidelines which are based on the arms' length principle and compliant with OECD guidelines.

The Company has entered into a trademark license agreement with P D Gram & Co AS for the Company'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 Company's transactions with related parties are as follows:

In USD thousands	Related party	2022	3 Aug 2021 (date of incorporation) – 31 Dec 2021
Guarantee fee	Subsidiaries	463	-
Interest income	Subsidiaries	1,476	-
Administrative management fee	Subsidiaries	(1,190)	-
Trademark license fee	P D Gram & Co AS	(206)	-

All related party transactions are carried out at market terms.

Details of the Company's loans to/from subsidiaries as per 31 December 2022 and 31 December 2021 are set out below:

In USD thousands	31 Dec 2022	31 Dec 2021
Loans to subsidiaries	43,405	-
Loans from subsidiaries	31,919	-

Loans to/from subsidiaries are repayable on demand.

## Note 10 Share capital and shareholders

In USD thousands	No. of shares	Share capital
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
<b>31 December 2022</b>	<b>29,285,022</b>	<b>9,822</b>
3 August 2021 (date of incorporation)	1,000,000	113
Shares capital increase 12 October 2021 (reduction par value)	-	12
Split par value (1:10)	9,000,000	-
<b>31 December 2021</b>	<b>10,000,000</b>	<b>125</b>

On 17 January 2022, the Board of Directors had proposed, and an extraordinary general meeting 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 extraordinary general meeting 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.

The Company has a stated policy of returning 50% of net profits to shareholders by way of dividends or distribution of paid up capital. During the period 1 January 2022 – 31 December 2022 the Company has made a total of NOK 70,044,000 in distributions to shareholders.

Largest shareholders at 31 December 2022 are set out below:

Shareholder	No of shares	In % of total
F. Laeisz GmbH	7,945,229	27.13%
AL Maritime Holding Pte. Ltd.	2,686,706	9.17%
Glenrinnes Farms Limited	1,938,782	6.62%
HM Gram Investments III Limited/HM Gram Enterprises Limited/HMG AS	1,790,496	6.11%
Car Carrier Partners L.P.	1,220,901	4.17%
AS Straen	817,688	2.79%
BNP Paribas (nominee)	782,040	2.67%
BNP Paribas (nominee)	710,122	2.42%
Verdipapirfondet DNB SMB	590,577	2.01%
Larsson Shipping AB	589,658	2.01%
Hamilton Carriers Ltd	499,638	1.71%
Hesnes Invest AS	414,136	1.41%
Svenska Handelsbanken AB	389,290	1.33%
BNP Paribas (nominee)	358,683	1.22%
UBS Switzerland AG	354,736	1.21%
Verdipapirfondet Storebrand Norge	301,006	1.03%
Surfside Holding AS	300,000	1.02%
Songa Capital AS	296,681	1.01%
The Bank of New York Mellon	239,111	0.82%
Currus Navi AS	238,009	0.81%
Others	6,821,533	23.29%
<b>Total</b>	<b>29,285,022</b>	<b>100.00%</b>

## Note 11 Share-based payments

The Company has two long-term incentive programmes for employees involving share-based compensation.

### Long-term incentive program

During 2022 a long-term incentive program for all employees of the Company was introduced. The purpose of the long-term incentive program is to increase the employees' ownership in the Company, align employees' interests with the interests of the Company's shareholders, and to reinforce their identification with the Company and the development of long-term values. A total of 13 employees, have committed to participate in the program, all of which have committed to lock-up a number of their shares for the duration of the program. The program lasts for a period of three years.

Pursuant to the program, the participants will on or around 1 June 2025 receive three shares per committed share, each contingent on the following criteria:

1. In order to participate in the program, and to receive the first matching share, is that the participants comply with the lock-up of their respective shares and continue to be employed by the Group during the vesting period.
2. The second matching share depends on the annual shareholder return and/or share performance during the vesting period, based on the development of the share price in the same period. The assessment of the development shall take into account any dividends paid during the period. Between 8% and 12% shares are earned on a linear scale, where 8% is zero and 12% is one share.
3. The third matching share is linked to the Group's ESG rating in the annual ESG survey conducted by Position Green Advisory AS, and depends on the rating of the Company as at the last day of the vesting period. The minimum requirement for any third matching share is a rating of C, and a rating of B qualifies for one full share.

As of 31 December 2022, the participating employees have committed a total of 94,634 shares in connection with the program meaning up to 283,902 new shares in aggregate may be issued as part of the program. The estimated fair value of the program at the grant date was NOK 11,256,000.

### Share option incentive plan

During 2022 the Company also introduced a share option incentive plan for executive management. The program has a three years' vesting structure, with one third of the options vesting each year. The strike price for the options has initially been set to NOK 94.6154, based on the 5-trading day volume weighted average price (VWAP) as of the annual general meeting of the Company held on 12 May 2022. The strike price will be subject to an annual increase of 10% on a non-accumulating basis up to the exercise date, adjusted for any dividends paid by the Company in the period. Subject to options having vested, the option holder may exercise the options each year during pre-set exercise periods. Exercised options will primarily be settled in shares, but may be settled in cash at the discretion of the Board of Directors. The options expire 12 May 2027, two years after the last vesting date.

As of 31 December 2022, a total of 800,000 share options have been issued under the program. Each option, when exercised, carries the right to acquire one share in the Company.

The fair value of share options is estimated using the Black-Scholes option pricing model for each tranche.

The significant assumptions used to estimate fair value of the share options are as follows:

	800,000 share options
Share price at grant date (in NOK)	108.00
Strike (in NOK) <sup>1</sup>	104.08–141.92
Expected volatility <sup>2</sup>	40.00%
Risk free interest rate	3.00%
Weighted average contractual life (in years)	4.71
Fair value of each share option at grant date (in NOK)	31.64

<sup>1</sup> The strike price for the share options has initially been set to NOK 94.6154, based on the 5-trading day volume weighted average price (VWAP) as of the annual general meeting of the Company held on 12 May 2022. The strike price will be subject to an annual increase of 10% on a non-accumulating basis up to the exercise date, adjusted for any dividends paid by the Company in the period.

<sup>2</sup> The expected volatility is based on the volatility for a selection of comparable peer companies.

## Note 12 Guarantees

The Company has provided guarantees in connection with senior secured credit facilities entered into by the subsidiaries Gram Car Carriers Shipowning AS and Gram Car Carriers Leasing 3 AS. The Company has also provided guarantees in connection with bareboat charter parties entered into by Gram Car Carriers Leasing 1 AS.

Outstanding principal, lease liabilities and accrued interest under the facilities and leases for which the Company has provided guarantees at 31 December 2022 and 31 December 2021 are as follows:

USD thousands	31 Dec 2022	31 Dec 2021
Principal amount outstanding under senior secured credit facilities	280,683	-
Lease liability outstanding under bareboat charter parties	64,960	-
Accrued interest	1,087	-
<b>Total</b>	<b>346,730</b>	<b>-</b>

## Note 13 Subsequent events

An additional distribution to shareholders amounting to USD 4,960,000 was proposed by the Board of Directors on 8 February 2023 and approved by an extraordinary meeting on 2 March 2023.

# Statement by the Board and Management

The Board of Directors and Management have reviewed and approved the consolidated financial statements of Gram Car Carriers ASA and its subsidiaries for the period 1 January – 31 December 2022 and the comparative period 1 January – 31 December 2021 and confirm that to the best of our knowledge:

- The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- The information presented in the financial statements gives a true and fair view of the Group's assets, liabilities, financial position and income; and
- The information presented in the financial statements gives a true and fair view on related party transactions

Oslo, 20 April 2023

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

Ivar Hansson Myklebust  
*Chair*

*Vice Chair*

Alasdair James Dougall Locke

Christine Rødsæther

Nils Kristoffer Gram

Nicolaus Bunnemann

Clivia Catharina Breuel

Georg Alexander Whist  
*Chief Executive Officer*

# Auditor's report



BDO AS  
Lersstadvegen 517  
6018 Ålesund

## Independent Auditor's Report

To the Annual Shareholders meeting of Gram Car Carriers ASA

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Gram Car Carriers ASA.

#### The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2022, income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2022, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

#### In our opinion:

- The financial statements comply with applicable statutory requirements,
- The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Permeo Dokumentnr: 2023X-NUJRN-XXFME-4E630-OYQ2C-SL7BP



#### Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Gram Car Carriers ASA for two years from the election by the general meeting of the shareholders on 3. August 2021 for the accounting year 2021 (with at renewed election on the 12. May 2022).

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
<p><b>Accounting for the restructuring</b></p> <p>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, as described in note 4 to the financial statements.</p> <p>Management has applied judgement to assess how the restructuring and linked transactions as referred to in note 4, should be treated for accounting purposes, and if this qualifies as a business combination within 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</p>	<p>Our audit procedures included evaluating the managements assessment on how the linked transactions should be treated for accounting purposes. In our evaluation we have consulted BDOs global IFRS desk.</p> <p>In addition, we have verified that the company has provided sufficient disclosures of their basis for conclusions in note 4 to the financial statements.</p>

Permeo Dokumentnr: 2023X-NUJRN-XXFME-4E630-OYQ2C-SL7BP



accounting purposes, not considered a business combination, but a restructuring and refinancing of the Group together with an issuance of new shares (capital increase). Thus, the carrying values of assets and liabilities in the Group shall be carried on forward (continuity).

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on the Board of Director's report**

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

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

Our opinion on the Board of Director's report applies correspondingly for the statements on Corporate Governance and Corporate Social Responsibility

BDO AS, et norsk aksjeselskap, er deltaker i BDO International Limited, et engelsk selskap med begrenset ansvar, og er en del av det internasjonale nettverket BDO, som består av uavhengige selskaper i de enkelte land. Foretaksregisteret: NO 993 606 650 MVA.

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**Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

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### Report on compliance with Requirement on European Single Electronic Format (ESEF)

#### Opinion

As part of the audit of the financial statements of Gram Car Carriers ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name gramcarcarriersasa-2022-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

#### Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

#### Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Ålesund, 20. April 2023

BDO AS

John Arne Fiskerstrand  
State Authorised Public Accountant  
(This document is signed electronically)

BDO AS, et norsk aksjeselskap, er deltaker i BDO International Limited, et engelsk selskap med begrenset ansvar, og er en del av det internasjonale nettverket BDO, som består av uavhengige selskaper i de enkelte land. Foretaksregisteret: NO 993 606 650 MVA.

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De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

**John Arne Fiskerstrand**

Statsautorisert revisor

På vegne av: BDO AS

Serienummer: 9578-5998-4-1671031

IP: 188.95.xxx.xxx

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## Gram Car Carriers' Climate Risk Statement 2023

This summary statement of Gram Car Carriers' climate-related risks has been prepared in alignment with the Taskforce on Climate-Related Financial Disclosures' (TCFD) recommendations.

### Governance

- |   |  |  |
|---|--|--|
| 1 | Describe the Board's oversight of climate-related risks and opportunities                    | <p>In accordance with the principles supporting value-based management, the Board of Directors places significant importance on systematic risk management. This is done by identifying existing and potential risk exposures. This approach satisfies the requirements set out in law and ensures the company's governance remains fit for purpose in a highly dynamic market environment.</p> <p>This year, Gram Car Carriers undertook a Climate Risk Review, with support from an independent expert. The review has been presented to the Board of Directors (BoD). The review covered risk categories described in the TCFD framework – namely, physical, regulatory, market, technology and reputation risks (and opportunities).</p> <p>Climate-related risks and opportunities are regularly reviewed as part of its overall responsibility for risk governance by the BoD. Going forward, the BoD will receive yearly updates on climate risk, including emerging regulations, developments in the company's performance on the decarbonization strategy, emissions reduction trajectories and technological developments.</p>   |
| 2 | Describe management's role in assessing and managing climate-related risks and opportunities | <p>The management team regularly reviews climate-related risks and opportunities, as part of its daily operations. The management team's responsibility for ongoing climate risk and opportunity review contributes to our company strategy and enterprise risk management approach. Gram Car Carriers has conducted an initial assessment of all relevant risk and opportunity areas, including operations, contracts, charter parties and so forth. Where risks have been identified, they are defined, and specific countermeasures are being developed.</p> <p>In 2022, the management team completed the following projects, where climate-related risks and opportunities were assessed, or that contributed to the assessment of or deployment of countermeasures for climate-related risks and opportunities:</p> <ul style="list-style-type: none"> <li>• ESG Strategy review</li> <li>• TCFD-aligned climate risk review</li> <li>• Collection and reporting of climate-related data including GHG emissions</li> <li>• Collaboration with DNV in setting decarbonization plans for each vessel</li> <li>• A biofuel trial on one of our vessels (Viking Constanza)</li> <li>• Climate change risk has been an integral part of the general risk review in 2022 and is under continuous monitoring under the CEO</li> </ul> <p>Management reports all material climate related risks and opportunities to the BoD.</p> |

## Strategy

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3	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	See separate risks and opportunities table following.
4	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	<p>See separate risks and opportunities table following.</p> <p>Gram Car Carriers has undertaken a climate risk review and analysis to understand how climate risks and opportunities are likely to impact the business, its strategy and financial planning. Using information from these sources and its ongoing monitoring of GHG emission performance across the fleet, Gram Car Carriers believes it is well positioned to absorb, mitigate or adapt to climate-related risks; and, in some cases may exploit available opportunities. This position is supported by the following assertions:</p> <ul style="list-style-type: none"> <li>• The business's financial strength and ability to execute its financially-planned, long-term fleet upgrade</li> <li>• Ongoing investment in and updating of the knowledge and capability of human capital within the business to respond to climate-related risks and opportunities</li> <li>• A focused, well-resourced, and regularly reviewed/updated ESG Strategy which has climate together with governance and social responsibility as the central theme</li> <li>• The ready availability and high quality of climate-related data and information on which to make strategic and financial decisions</li> <li>• The resilience of the existing business model, financial planning and strategic approach to respond to a wide range of forecast climate scenarios</li> </ul>
5	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario	<p>Gram Car Carriers is currently scoping and assessing what future climate scenarios will look like, ranging from business-as-usual to 2 degree C or lower, and how these will affect the business. The work in this area is designed to ensure that the business strategy can be refined to better meet future scenarios. For Gram Car Carriers, the approach to emissions reductions will be mainly through investments in new assets and technology, with a planned long-term fleet upgrade and renewal programme in place.</p> <p>Reduction pathways required to achieve various climate goals have been analysed, including the IMO's and the Paris Agreement's current 2030 and 2050 climate targets. Gram Car Carrier's strategy is evolving in response to these and various future climate scenarios, aiming to adapt as required and ensure resilience is built in, as described in point 4.</p>

**Risk management**

6	Describe the organisation's processes for identifying and assessing climate-related risks	<p>Gram Car Carriers has undertaken a climate risk review to understand its climate risks and opportunities.</p> <p>Risk management is an integrated part of our daily operations and management processes. Every year enterprise risks, including climate risk, are formally presented by management to the BoD, based on input from technical managers. The BoD and management also have an ongoing dialogue during committee meetings regarding climate related risk, such as fleet performance, and investment decisions.</p>
7	Describe the organisation's processes for managing climate-related risks	<p>Climate-risk management is integrated in our overall risk management processes, as it is part of assessing the effect of regulatory and propulsion technology developments.</p> <p>Through (i) yearly reviews of the Company's most prominent areas of risk exposure and its internal control arrangements, (ii) management guidelines and (iii) the appointment of a dedicated risk management unit to perform risk monitoring and provide regular risk management updates, the Board of Directors aims to ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities.</p>
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	<p>The risk management approach to climate-related risks has been updated and incorporated into board and management processes. It is based on assessing the likelihood and impact of developments and performance of the risks our company face or may face. When the combination of likelihood and impact for a certain factor constitutes a sufficiently high level of risk, that risk is then included in our overall risk management processes.</p>

## Metrics and targets

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9		<p>We measure our total GHG emissions (Scope 1) in CO<sub>2</sub> equivalents, and have started identifying Scope 3 emissions. In addition, we apply the following Carbon Intensity Indicators to vessels in our fleet:</p> <ul style="list-style-type: none"> <li>• Average Energy Efficiency Design Index (EEDI) for new ships measured as grams CO<sub>2</sub> per ton-nautical mile</li> <li>• Average Efficiency Ratio (AER) measured as grams of CO<sub>2</sub> per deadweight ton-nautical mile.</li> </ul>
10	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas (GHG) emissions, and the related risks	See pages 30 - 32.
11	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<p>In line with the IMO's emission reduction trajectories (CII ratings) we are following the IMO initial GHG reduction pathway:</p> <ul style="list-style-type: none"> <li>• 40% reduction in emission intensity by 2030</li> <li>• 50% reduction in total emissions by 2050</li> <li>• 70% in emission intensity by 2050</li> <li>• Zero emissions as soon as possible within this century</li> </ul> <p>In 2023 we will review our targets to assess whether we can raise them based on our capacity and the decarbonization plans established per each vessel.</p> <p>We aim to maintain an average C rating for all our fleet vessels (IMO ship rating system) which is dependent on the collaboration and commitments of our clients. We will adjust our targets when appropriate to ensure that they are ambitious enough given regulatory and technological developments.</p>

**Physical risks**

- Physical risks may have financial implications for the company, such as direct damage to assets and indirect impacts from disrupted operations.
- Extreme weather / increased frequency of extreme weather and related knock-on effects that causes disruption in operations, e.g. delays and port closure.
- Extreme weather / increased frequency of extreme weather and related knock-on effects that causes disruption and impacts on Gram Car Carriers' customers' activities, operations and markets. This includes similar indirect affects further down the value chain.
- Health and safety impacts on workforce caused by extreme weather events e.g. injuries caused by increased wave height, higher storm frequency and prolonged duration of extreme weather events.

**Regulatory risks**

- The Company is exposed to changes in legal, tax and regulatory regimes within relevant jurisdictions as well as potential private litigation and public prosecution. The Company seeks to mitigate legal risks by maintaining a well-functioning risk management system, management guidelines and dedicated compliance and legal functions within the organization.
- In the current geopolitical context there are newly introduced and further strengthened sanction regimes, and legal risk exposure is elevated.
- Increasing carbon costs and shipping becoming part of the EU ETS will impact the cost of transportation.
- Impacts of the speed of regulatory shift on business planning, strategy and cost structures to comply with new and additional regulation.

**Market risks**

- Changing customer requirements and contract risks – meeting market expectations for emission profiles of vessels.
- The volatility of the fuel market poses a potential risk. Any sort of regulation can increase product prices, however fuel prices can be particularly volatile in this regard.
- Impacts on business planning, strategy and cost structures to meet new and evolving market requirements.
- Shift from passive disclosure requirements to demonstration of an action-oriented approach.
- Access to reliable and quality fuel supplies can also be considered as a risk in the current dynamic market environment.

**Technology risks**

- IT and cyber risks make up an increasing share of a company's risk universe. The Company purchases IT services from third parties that offer comprehensive security strategies which closely match the Company's business objectives.
- Viable technologies to fully transition to the low carbon solutions does not currently exist, and i.e. dual fuel options are limited by the lack of the relevant infrastructure required to adopt this technology.

**Reputational risks**

- Reputational effects related to spills, routes affecting ecosystems and biodiversity.
- Below average fuel efficiency performance.

**Opportunities**

- We look for commercial and decarbonisation opportunities throughout cyclical market swings.
- Becoming the recognised low carbon operator of choice and preferred chartering partner.
- High ESG performance driving an enhanced reputation.
- Container shipping is the dominant method of international transportation for a broad range of industrial and consumer goods. As global trade in the foreseeable future will rely on container shipping, it is likely there will be an increased demand for energy-efficient and environmentally friendly vessel operations.
- Adaptation leading to improved operational performance.
- Technology opportunities for improving (increasing efficiency) onboard systems, including alternative fuels and hybrids.
- There are related opportunities in developing partnerships with leading industry actors to accelerate decarbonisation, including working in partnership with our charterers on scrubber installations and undertaking biofuel trials in partnership with DNV and Good Fuel.

## Gram Car Carriers Transparency Act Statement

### Our structure, operations and human rights management systems

Gram Car Carriers ASA (“GCC”) is one of the world’s leading tonnage providers of seaborne vehicle transportation. We operate a modern cargo fleet of 20 vessels (19 owned) and pride ourselves in being a sustainability-focused company, with focus given to formally managing material environmental, social and governance performance. Our operations are headquartered in Oslo, Norway, with an additional office in Singapore, though our vessels trade worldwide.

GCC respects fundamental human rights as set out in the International Bill of Human Rights and the International Labour Organization’s (ILO) Fundamental Conventions and acts in accordance with the UN Guiding Principles on Business and Human Rights. GCC also respects decent working conditions, meaning working conditions that safeguard fundamental human rights and health, safety, and environment in the workplace, and that provide a living wage.

This statement has been prepared in accordance with section 5 of the Transparency Act and summarizes the approach taken by GCC to conduct due diligence on human rights and decent working conditions (together referred to as “human rights”) within its own operations and supply chain, in accordance with section 4 of the Transparency Act and in line with the OECD Guidelines for Multinational Enterprises.

We are committed to actively managing and monitoring our human rights impacts in accordance with the human rights due diligence expectations laid out in the Norwegian Transparency Act. We seek to continually improve human rights performance across all our operations and business relationships.

We remain focused on respecting human rights across all our operations, with an emphasis on facilitating active stakeholder dialogue and operating in accordance with all applicable regulatory frameworks, including the Norwegian Transparency Act.

### Gram Car Carriers’ human rights due diligence

GCC’s commitment to human rights is anchored in the “Human and labour rights” section of our Code of Conduct, available on [gramcar.com](http://gramcar.com). This policy is available online and is distributed across the organisation. It was last approved by the board of directors of GCC on 7 April 2023. Our explicit commitment to respect human rights extends to all employees, third-party personnel and suppliers. In order to ensure that our employees understand our commitment and their responsibility, we provide training on relevant human rights topics for our employees.

In addition, our human rights expectations explicitly extend to our suppliers, as stated in GCC’s Supplier Code of Conduct. On top of the rights laid forth in GCC’s own Code of Conduct, suppliers are explicitly tasked with ensuring they prohibit child and forced labour and ensure freedom of association, equal pay and non-discrimination in their

workforce. Additionally, suppliers are expected to comply with all applicable laws, with a special emphasis made on labour laws with the purpose of working against slavery and human trafficking.

GCC has identified common issues within the shipping industry, which are also relevant for GCC, that can have adverse human rights impacts. GCC has worked to minimize any negative impact in these areas. These include:

- Shipbuilding, ship repair and ship recycling
- Crew working conditions
- Supply chain management
- Diversity, discrimination and minority rights

GCC has undertaken specific actions to reduce any negative impact in these areas. These include:

- Facilitating an inspection of our chosen ship yards before every docking, to ensure that our human rights expectations are met
- Placing increased focus on supporting our seafarers in mental health issues. This has been identified as a significant concern for many of our crew, due first to Covid and now the Russian invasion of Ukraine, meaning that many have had to either stay on ships for longer than usual, or not return home. As such, we have introduced initiatives to help our crew maintain healthy mental health

- Introducing a hardship allowance for Ukrainian crew. Although not a result of our own actions, the Russian invasion of Ukraine has had a serious adverse impact on our Ukrainian crew members. Our Ukrainian crew has been unable to return home, with several of our Ukrainian officers now living in European countries with their families. It remains an important priority for us to maintain our Ukrainian crew base, in particular given our long-term commitment to the education of seafarers through our cooperation with the Odessa Maritime Academy. To support our Ukrainian crew, GCC has decided to allocate around USD \$200,000.

In the coming year, we will conduct a more thorough assessment of our potential impact on human rights to continually improve our assessment and to ensure that there are no blind spots in our understanding of our human rights impact.

In order to actively maintain open and transparent communication channels, we have implemented a thorough complaints procedure that ensures employee confidentiality when desired. All reports filed, whether via management channels or via the whistleblowing mechanism, are handled according to the principles of confidentiality, objectivity, impartiality and contradiction. The CEO is tasked with reporting to the Board of Directors on reports of any concerns raised and the outcome of any investigations.

### Ongoing human rights due diligence

Part of GCC's commitment to continued human rights due diligence includes our commitment to quickly work towards remedying any affected stakeholders in the event of an actual adverse human rights impact. At present, GCC has not identified any such actual issues, but we nonetheless remain vigilant in reviewing our current policies and practices to better identify both potential and actual human rights impacts in our own operations or value chain.

Human rights due diligence is not a one-off exercise, and accordingly, GCC is committed to continuing to improve our practices. GCC looks to further refine and act on our priority human rights issues related to our operations and specific industry. Furthermore, GCC seeks to continue to improve our stakeholder engagement on our priority human rights issues to ensure all relevant voices are included in our due diligence processes. To continue improving our practices in the coming year, we will:

- Continue to communicate our human rights policy internally and externally, including to business partners.
- Continue mapping our supply chain and our business partners to better understand the human rights impacts within them.
- Continue to anchor human rights due diligence within our operations.

### Requests for information

Requests for information regarding this [Transparency Act statement](#) or GCC's human rights due diligence policies and practices at large can be made to [ir@gramcar.com](mailto:ir@gramcar.com)

This statement covers the period 1 July 2022 – 31 December 2022.

**Ivar Myklebust**  
Chair of the Board

**Dr. Gaby Bornheim**  
Board member

**Christine Rødsæther**  
Board member

**Nils Kristoffer Gram**  
Board member

**Nikolaus H. Schües**  
Vice Chair of the Board

**Clivia Breuel**  
Board member

**Alasdair Locke**  
Board member

**Georg A. Whist**  
CEO



## SASB Table

Topic	Accounting metric	Unit of measure	Data	SASB code
<b>CO<sub>2</sub> Emissions</b>				
Greenhouse Gas Emissions	Gross global Scope 1 emissions: Financial control approach	Metric ton, CO <sub>2</sub> -e	Ocean: 470968.6 Land: NA	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative description by GCC	See pages 30-32	TR-MT-110a.2
	<b>Energy consumed</b>			
Greenhouse Gas Emissions	Total energy consumed	Gigajoules (GJ)	7069178	TR-MT-110a.3
		Percentage of energy from heavy fuel (%)	99.77%	
		Percentage of energy from renewable/low-carbon sources (%)	0.23%	
<b>EEDI</b>				
	Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO <sub>2</sub> per ton-nautical mile	5.31	TR-MT-110a.4
<b>Other emissions to air</b>				
Air Quality	(1) NO <sub>x</sub> (excluding N <sub>2</sub> O)	Metric tons	12,811.8	TR-MT-120a.1
	(2) SO <sub>x</sub>	Metric tons	7,914.9	
	(3) particulate matter	Metric tons	1,202.2	

Topic	Accounting metric	Unit of measure	Data	SASB code
	<b>Marine protected areas</b>			
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	NA	TR-MT-160a.1
	<b>Implemented ballast water</b>			
Ecological Impacts	(1) exchange	Percentage (%)	21	TR-MT-160a.2
	(2) treatment	Percentage (%)	79	
	<b>Spills and releases to the environment</b>			
	(1) number	Number	NIL	TR-MT-160a.3
	(2) aggregate volume	Cubic meters (m <sup>3</sup> )	NIL	
Employee Health & Safety	<b>Lost time incident rate</b>			
	Lost time incident rate (LTIR)	Rate	Ocean: 1.1 Land: NIL	TR-MT-320a.1
	<b>Corruption index</b>			
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	101	TR-MT- 510a.1
	<b>Corruption</b>			
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	NIL	TR-MT- 510a.2

Topic	Accounting metric	Unit of measure	Data	SASB code
	<b>Marine casualties</b>			
	Incidents	Number	3	TR-MT- 540a.1
	Very serious marine casualties	Percentage (%)	0	
	<b>Conditions of Class</b>			
Accident & Safety Management	Number of Conditions of Class or Recommendations	Number	95	TR-MT-540a.2
	<b>Port State Control</b>			
	(1) deficiencies	Rate	44	TR-MT-540a.3
	(2) detentions	Number	2	

## GRI Index

GRI standard	Section	Disclosure title	Location (page number)
GRI 2: General Disclosures (2021)	2-1	Organisational details	127
	2-3	Reporting period, frequency and contact point	26
	2-6	Activities, value chain and other business relationships	12
GRI 3: Material Topics (2021)	3-1	Process to determine material topics	28
	3-2	List of Material Topics	28
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Climate Risk Statement (112-116)
GRI 205: Anti-Corruption (2016)	205-2	Communication and training about anti-corruption policies and procedures	38
GRI 302: Energy (2016)	302-1	Energy consumption within the organisation	31
	302-3	Energy intensity	31
GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	30
	305-4	GHG emissions intensity	31
	305-5	Reduction of GHG emissions	32
GRI 306: Waste (2020)	306-1	Waste generation and significant waste-related impacts	33
	306-3	Waste generated	33
GRI 403: Occupational Health and Safety (2018)	403-1	Occupational health and safety management system	34
	403-9	Work-related injuries	34
	403-10	Work-related ill health	34
GRI 404: Training and Education (2016)	404-2	Programs for upgrading employee skills and transition assistance programs	34
	404-3	Percentage of employees receiving regular performance and career development reviews	34
GRI 405: Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	36

# 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 amortisation.

**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. The 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; geological or 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 [gramcar.com](https://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 The Company’s expectations or otherwise.

## General ESEF data

Name of reporting entity or other means of identification	Gram Car Carriers ASA
Domicile of entity	Norway
Legal form of entity	Public limited liability company
Country of incorporation	Norway
Address of entity's registered office	Bryggegata 9, 0250 Oslo, Norway
Principal place of business	Bryggegata 9, 0250 Oslo, Norway
Description of nature of entity's operations and principal activities	Investment in and operation of maritime assets in the pure car and truck carrier ('PCTC') shipping segment
Name of parent entity	Gram Car Carriers ASA
Name of ultimate parent of group	Gram Car Carriers ASA
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	n/a
Length of life of limited life entity	Incorporated 3 August 2021
Period covered by financial statements	1 January 2022 - 31 December 2022



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