Prospectus

GRAM CAR CARRIERS

GRAM CAR CARRIERS ASA

(*a public limited liability company incorporated under the laws of Norway*)

Listing of the shares on the main list of the Oslo Stock Exchange

This prospectus (the "**Prospectus**") has been prepared by Gram Car Carriers ASA, a public limited liability company incorporated under the laws of Norway ("**Gram Car Carriers**" or the "**Company**" and, together with its consolidated subsidiaries, the "**Group**") in connection with the listing of all of the Company's shares, each with a par value of NOK 2.9147 (rounded) (the "**Shares**") on the main list of Oslo Børs, a stock exchange being part of Euronext and operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") expected on or around 15 December 2022 (the "**Listing**").

The Shares are registered in the Norwegian central securities depository, Euronext Securities Oslo (the "**VPS**") in book-entry form with ISIN NO 001 1109563. All Shares rank *pari passu* in all respects and carry full and equal rights in the Company.

Since 31 January 2022, the Shares have been admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by Oslo Børs ASA ("**Euronext Growth**") under the ticker code "GCC" (the "**Euronext Growth Admission**"). On 11 October 2022, the Company applied for the Shares to be admitted to trading and listed on the Oslo Stock Exchange. The Oslo Stock Exchange approved the Company's application for Listing on 23 November 2022, conditioned on the Company satisfying the other listing conditions set by the Oslo Stock Exchange. Upon Listing, the Shares will be deregistered from Euronext Growth and will be admitted to trading through the facilities of the Oslo Stock Exchange.

Trading in the Shares on the Oslo Stock Exchange is expected to commence on or around 15 December 2022 under the ticker code "GCC".

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THE PROSPECTUS DOES NOT CONSTITUTE AN OFFER, OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL, ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARES OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.

Investing in the Shares involves a high degree of risk. Any prospective investors should read the entire Prospectus, and in particular consider Section 2 "*Risk factors*" beginning on page 10, when considering an investment in the Company. The distribution of this Prospectus may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required by the Company to inform themselves about and to observe any such restrictions. Any failure to comply with these regulations may constitute a violation of the securities laws of the relevant jurisdiction. See Section 16 "*Selling and transfer restrictions*".

30 November 2022

IMPORTANT INFORMATION

This Prospectus has been prepared by the Company solely for use in connection with the Listing of the Shares on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and as implemented in Norway in accordance with section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language.

This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*, the "**Norwegian FSA**"), as the competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Prospective investors should make their own assessment as to the suitability of investing in the securities.

For definitions of certain other terms used throughout this Prospectus, see Section 18 "*Definitions and Glossary of terms*".

The information contained in this Prospectus is current as of the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the date of this Prospectus and the Listing, will be presented in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group in connection with the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or by any of its affiliates, representatives or advisors.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents, is prohibited.

No Shares or any other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. The distribution of this Prospectus may in certain jurisdictions be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase or sell any of the Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of the Shares. Accordingly, neither this Prospectus nor any advertisement material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any applicable restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 16 "*Selling and transfer restrictions*".

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with the Oslo District Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group, including the merits and risks involved. Neither the Company nor any of its representatives or advisors are making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each prospective investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares. All Sections of the Prospectus should be read in context with the information included in Section 4 "*General information*".

NOTICE TO INVESTORS IN THE UNITED STATES

No federal or any state securities commission or regulatory authority in the United States has confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

The Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States for offer or sale as part of their distribution and may not be offered, sold, pledged or otherwise transferred within the United States.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Shares.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

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APPENDICES TO THE PROSPECTUS:

INCORPORATED BY REFERENCE:

- First-year Financial Statements for Gram Car Carriers ASA
- Interim financial statements for Gram Car Carriers ASA for the six months' period ended 30 June 2022
- Interim Financial Statements for the nine months' period ended 30 September 2022

1 SUMMARY

SECTION A | INTRODUCTION

(i) Warning

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

(ii) The securities:

The Company has one class of shares, and all Shares are equal in all respects. The Shares are registered in book-entry form with the VPS with ISIN NO 001 1109563.

(iii) The issuer:

Gram Car Carriers ASA, with registration number 827 669 962 and registered address Bryggegata 9, N-0250 Oslo, Norway. The Company's LEI code is 549300DDMB7X84EDQN80. The Company can be contacted by telephone to +47 22 01 74 50 or by e-mail to mail@gramcar.com.

(iv) The competent authority approving the Prospectus:

The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*), with registration number 840 747 972 and registered address Revierstredet 3, N-0107 Oslo, Norway. The Financial Supervisory Authority of Norway can be contacted by telephone to +47 22 93 98 00 or by e-mail to post@finanstilsynet.no.

(v) The date of approval of the Prospectus:

30 November 2022.

SECTION B | KEY INFORMATION ON THE ISSUER

(i) Who is the issuer?

Corporate information

The Company was incorporated on 3 August 2021 and is a public limited liability company with registration number 827 669 962, organized and existing under the laws of Norway pursuant to the Norwegian Public Companies Act. The Company's LEI code is 549300DDMB7X84EDQN80. The Company is headquartered in Oslo, Norway, with an office in Singapore. The Company's website is https://gramcar.com/.

Principal activities

The Company is a specialized shipping company, focusing on pure car and truck carriers ("**PCTCs**"). The Group is the third largest car carrier tonnage provider in the world in terms of fleet size[1] and focuses on providing a modern, reliable and efficient PCTCs fleet with various vessel sizes to suit all aspects of the seaborne car transportation trade. The Group's founder, Peter D. Gram, has been investing in PCTCs since 1982. The direct predecessor of the Company was founded in 2006 and has since established an extensive history of chartering vessels to all major global operators and key regional operators worldwide.

In addition to its 17 owned and two leased vessels, the Group provides commercial management services for one vessel owned by a third party. The Group will also be the commercial manager for four newbuilt

[1] Source: Clarkson Research Services Limited database, category "tonnage providers only" as of 4 November 2022. Subscription required to access data

PCTCs upon delivery of these vessels, expected from the fourth quarter of 2025 through the fourth quarter of 2026.

The Group's clients include some of the largest global car carrier operators, including Wallenius Wilhelmsen ASA, Höegh Autoliners ASA and several Asian operators. The Group's vessels are chartered on time charter contracts with durations ranging from 9 months to 6 years, with a current average remaining duration of 1,396 days. The Group's main sources of revenue and other operating income are time charter revenues, commercial management fees and time charter hire commissions.

The Company is committed to a sustainable operation. The Company has been an early adopter of sustainable bio-fuel and is considering carbon capture and hull modifications to further reduce emissions and improve the carbon footprint of the fleet.

Major shareholders

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As of the date of this Prospectus, no shareholder, other than those set out in the table below, holds more than 5% of the issued Shares.

Shareholder	Number of Shares	Percentage
F. Laeisz GmbH	7,884,229	26.92%
AL Maritime Holding Pte. Ltd.	2,486,706	8.66%
Glenrinnes Farms Limited	1,938,782	6.75%
HM Gram[1)]	1,790,496	6.23%

1) Aggregated shareholding of HM Gram Enterprises Limited, HM Gram Investments III Limited and HMG AS.

Key managing directors

As of the date of this Prospectus, the Company's executive management (the "**Management**") consists of the following individuals:

- Georg A. Whist, Chief Executive Officer
- Gunnar Koløen, Chief Financial Officer
- Børre Mathisen, Chief Operating Officer
- Harald Mathias Gram, Head of Projects

Statutory auditor

The Company's independent auditor is BDO AS, with registration number 993 606 650 and registered address Munkedamsveien 45A, N-0250 Oslo, Norway.

(ii) What is the key financial information regarding the issuer?

Financial information in the Prospectus has been derived from the following financial statements:

1) Audited, consolidated financial statements of the Company as of and for the six months' period ended 30 June 2022, with comparable audited, consolidated figures for the year ended 31 December 2021, prepared in accordance with IFRS and audited by BDO AS. The comparable figures for 2021 are based on the consolidated financial statements for Gram Car Carriers Holdings Pte Ltd ("**GCC Singapore**", and together with its subsidiaries, the "**Former Group**") for 2021, however subject to adjustments to reflect going concern.

2) Unaudited, consolidated financial statements of the Company as of and for the six months' period ended 30 June 2022, with comparable unaudited, consolidated figures the six months' period ended 30 June 2021. The interim financial statements are prepared in accordance with the International Accounting Standard 34 "*Interim Financial Reporting*", as adopted by the EU, and have been subject to procedures performed in accordance with International Standard on Review Engagements 2410 "*Review of interim financial information*" by BDO AS.

3) Unaudited, consolidated financial statements of the Company as of and for the nine months' period ended 30 September 2022, with comparable unaudited, consolidated figures the nine months' period ended 30 September 2021. The interim financial statements are prepared in accordance with the International Accounting Standard 34 "*Interim Financial Reporting*", as adopted by the EU, and have

been subject to procedures performed in accordance with International Standard on Review Engagements 2410 "*Review of interim financial information*" by BDO AS.

4) Audited, consolidated financial statements of the Former Group as of and for the years ended 31 December 2020 and 2019, prepared in accordance with the Singapore Companies Act and financial reporting standards in Singapore and audited by Deloitte & Touche LLP.

Consolidated income statement

(*in USD 1,000*)	**Six months ended 30 June**		**Nine months ended 30 September**		**Year ended 31 December**		
	2022 ***(audited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**2022** ***(unaudited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**2021** ***(audited)*** ***(the Group)***	**2020** ***(audited)*** ***(the Former Group)***	**2019** ***(audited)*** ***(the Former Group)***
Total revenue (EBITDA)	28,856	16,624	47,644	26,986	35,388	8,083	27,115
Operating revenue	51,274	35,919	82,726	55,969	78,029	46,058	70,069
Profit/(loss) for the period	7,429	(4,336)	13,950	(4,478)	(7,472)	(53,009)	(49,586)
Total comprehensive income for the period	**7,477**	**(4,355)**	**13,927**	**4,511**	**(7,429)**	**(53,116)**	**(49,424)**

Consolidated statement of financial position

(*in USD 1,000*)	**Six months ended 30 June**	**Nine months ended 30 September**	**Year ended 31 December**		
	2022 ***(audited)*** ***(the Group)***	**2022** ***(unaudited)*** ***(the Group)***	**2021** ***(audited)*** ***(the Group)***	**2020** ***(audited)*** ***(the Former Group)***	**2019** ***(audited)*** ***(the Former Group)***
Total assets	562,162	565,711	494,683	550,827	589,573
Total equity	222,463	226,568	79,239	86,667	139,783

Consolidated cash flow statement

(*in USD 1,000*)	**Six months ended 30 June**		**Nine months ended 30 September**		**Year ended 31 December**		
	2022 ***(audited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**2022** ***(unaudited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**2021** ***(audited)*** ***(the Group)***	**2020** ***(audited)*** ***(the Former Group)***	**2019** ***(audited)*** ***(the Former Group)***
Cash flow from operating activities	28,115	14,596	44,919	25,633	38,335	6,032	33,681
Cash flow from investing activities	(69,735)	(3,529)	(72,633)	37,566	35,605	(4,390)	(1,750)
Cash flow from financing activities	52,156	(4,860)	44,880	(59,470)	(69,551)	(539)	(29,953)
Net change in cash and cash equivalents	10,536	6,207	17,166	3,729	4,389	1,103	1,978
Cash and cash equivalents at the beginning of the period	15,960	11,571	15,960	11,571	11,571	10,468	8,490
Cash and cash equivalents at the end of the period	**26,496**	**17,778**	**33,126**	**15,300**	**15,960**	**11,571**	**10,468**

Pro forma financial information

Not applicable. The Prospectus does not contain pro forma financial information.

Description of any qualifications in the audit report relating to the historical financial information

In the auditor's statement to the Former Group's financial statements for 2021, Deloitte & Touche LLP noted that the financial statements were prepared on a basis other than that of a going concern, as the operations of the Former Group ceased and proceedings to liquidate Gram Car Carriers Holdings Pte. Ltd. were to be initiated.

In the auditor's statement to the Former Group's financial statements for both 2020 and 2019, Deloitte & Touche LLP noted certain matters indicating material uncertainty with respect to the Former Group's ability to continue as a going concern.

(iii) **What are the key risks that are specific to the issuer?**

- The Group may face risks associated with ageing of its vessels, changes in technology and environmental requirements and changed requirements from its customers, which may result in substantial capital expenditures and in turn have a material adverse effect on the financial position of the Group.
- From time to time, the Group's vessels 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 to be off-hire pursuant to its time charter contract in such an event.
- The Group's vessels are required to meet certain criteria to hull and machinery in order to be certified as "in class" by relevant classification societies and not become obsolete, and compliance with such requirements may impose significance expenses for the Group.
- The shipping industry is highly cyclical, and the Group's performance and growth depends heavily on the demand for deep-sea transportation of vehicles, high and heavy machinery, agriculture- and mining equipment and delivery of new and recycling of old vessels, all of which are affected by macroeconomic conditions.
- The Group's revenues are generated from providing tonnage capacity only for the seaborne transportation of vehicles, high and heavy machinery, agriculture- and mining equipment, and the lack of diversification in its line of business makes the Group particularly exposed to risks of an adverse development in this segment, including a decline in volume from export-oriented production areas or in demand for vehicles or such machinery and equipment.
- The Group's services are purchased by a few, major customers, and the Group is dependent on maintaining its existing customer relationships, as well as on attracting new customers with acceptable credit risk profiles, all in a highly competitive market in order to protect its earnings.
- The Group outsources the supply of technical management of all of its vessels to OSM Ship Management Pte. Ltd. and Reederei F. Laeisz G.m.b.H., and any failure by the technical managers to perform their duties and obligations could have a material adverse effect on the Group's business.
- The Group's vessels are illiquid assets, and should the Group in the future wish or be required to sell any of its vessels, there is a risk that such a sale is not completed on favourable terms, or at all, which could have a material adverse effect on the Group's ability to increase its cash reserves by selling its assets.
- The recent developments in Europe, with sanctions imposed on Russian and Belarus interests by the EU, the US and others, may continue to inflict increasing implications on global trade, global markets, fuel and crude oil prices and increased congestions in ports, which in turn may negatively affect the global sales of vehicles and the supply chains for high and heavy machinery, agriculture- and mining equipment, affecting the demand for the Group's services.
- The Group is exposed to risks regarding the correct interpretation of and compliance with applicable laws and regulations in the jurisdictions in which it operates, and legislative developments could affect amongst others the economic lives of the Vessels and their earning potential and require that the Group incurs additional costs to comply with such legislation.
- The Group's vessels carry pollutants, exposing the Group to risks relating to potential liability for breaches of environmental regulations in several different jurisdictions, should any of the Group's vessels discharge pollutions or otherwise be involved in environmental spills or accidents, which could potentially inflict substantial costs on the Group.

SECTION C | KEY INFORMATION ON THE SECURITIES

(i) What are the main features of the securities?

Type, class and ISIN

All of the Shares are common shares of the Company created under the Norwegian Public Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO 001 1109563.

Currency, par value and number of securities

The Shares will be traded in NOK on the Oslo Stock Exchange. As of the date of this Prospectus, the Company's share capital is NOK 85,357,580.7840591, divided into 29,285,022 Shares, each with a par value of NOK 2.9147180010334.

Rights attached to the securities

The Company has one class of shares in issue. In accordance with the Norwegian Public Companies Act, all Shares provide equal rights in the Company, including rights to dividend and voting rights. Each Share carries one vote. Pursuant to Norwegian law, the shareholder rights attaching to the Shares are subordinated any other Company creditor in the event of insolvency.

Transfer restrictions

The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Company's board of directors (the "**Board Members**" or the "**Board of Directors**").

In connection with the Euronext Growth Admission, the Board Members (except for Board Member Clivia Breuel and alternate Board Member Nicolaus Bunnemann), the members of the Management, F. Laeisz GmbH as well as shareholders of the direct predecessor of the Company, agreed to customary lock-up undertakings for a period of 12 months, expiring on 31 January 2023. Furthermore, F. Laeisz has agreed to a customary lock-up undertaking on the 563,218 new Shares issued by the Company as partly settlement of the Paglia Acquisition (the "**Consideration Shares**") for a period of 12 months, expiring on 29 November 2023. In addition, the Group's employees participating in the Company's long term incentive program have committed to a lock-up of a certain number of Shares for the duration of the program.

Dividend 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, such as the Company's financial condition and results of operations, including a substantial increase in revenues from previous years and a positive net profit, capital requirements, contractual restrictions, general business conditions and other factors that the Board of Directors may deem relevant. Furthermore, the Company's financial arrangements may from time to time impose restrictions on the ability to pay dividends according to the dividend policy.

As of the date of this Prospectus, the Company has paid a total of NOK 70,042,240 (equivalent to USD 6,970,000) in dividends, of which:

a) NOK 9,999,600 (equivalent to USD 1,040,000) was distributed for the first quarter of 2022, with a dividend amount per Share of NOK 0.3482, equivalent to USD 0.0362;

b) NOK 25,872,600 (equivalent to USD 2,670,000) was distributed for the second quarter of 2022, with a dividend amount per Share of NOK 0.9008, equivalent to USD 0.093; and

c) NOK 34,170,040 (equivalent to USD 3,260,000) was distributed for the third quarter of 2022, with a dividend amount per Share of NOK 1.1897, equivalent to USD 0.11.

The Company did not pay any dividend for the year ended 31 December 2021.

(ii) Where will the securities be traded?

The Shares have since 31 January 2022 been admitted to trading on Euronext Growth. On 11 October 2022, the Company applied for the Shares to be admitted to trading and Listing on the Oslo Stock Exchange. The Oslo Stock Exchange approved the Company's application for Listing on 23 November 2022, conditioned on the Company satisfying the other listing conditions set by the Oslo Stock Exchange. Upon Listing, the Shares will be deregistered from Euronext Growth and will be admitted to trading through the facilities of the Oslo Stock Exchange. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or around 15 December 2022 under the ticker code "GCC".

The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or multilateral trading facility (MTF).

(iii) What are the key risks that are specific to the securities?

- The Company's four largest shareholders hold in aggregate 47.13% of the Shares, in addition to being represented on the Board of Directors, and the interests of such shareholders may not in all matters align with the interests of the Company's other shareholders, which in turn may have a negative effect on the governance and operations of the Company.
- The Company has implemented a long term incentive program and an option program, and the Board of Directors has authorizations to increase the Company's share capital. Both the long term incentive program, the exercise of options under the option program and any offering of Shares could reduce the proportionate ownership and voting interests of holders of Shares and the earnings and the net asset value per Share, as well as have a material adverse effect on the market price of the Shares.
- Future sales of Shares in the public market, by shareholders being released from lock-up undertakings or others, could result in a material adverse effect on the market price of the Shares, making it more difficult for holders to sell their Shares at a time and price that they deem appropriate.
- As the Shares are priced in NOK and any future distribution of dividends on the Shares will be paid in NOK, an investor whose principal currency is not NOK is subject to adverse exchange rate movements, and negative exchange rate developments may, especially over time, materially and adversely affect the value of the Shares held by such an investor.

SECTION D | KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

(i) Under which conditions and timetable can I invest in this security?

Admission to trading

Trading in the Shares on the Oslo Stock Exchange is expected to commence on or around 15 December 2022, see (ii) "*Where will the securities be traded?*" above.

Total expenses of the admission to trading

The Company's total costs and expenses of, and incidental to, the Listing are estimated to amount to approximately USD 0.35 million, equivalent to approximately NOK 3.5 million.

(ii) Why is this Prospectus being produced?

Reasons for the admission to trading

This Prospectus has been prepared in connection with the Listing. The Company believes that the Listing *inter alia* will:

1) enable the Company to realize further growth potential and strengthen its position in the PCTC shipping segment;
2) further diversify and increase the Company's shareholder base and enable other investors to take part in the Group's future growth and value creation;
3) provide a market place for the Shares more suitable for the Group's business and operational history and give the Company improved access to the capital markets for potential future funding;
4) enhance the Group's profile with investors, customers and other business partners; and

5) open up for investors and investor products that require a regulated stock exchange, including share savings account (Nw.: "*aksjesparekonto*") for Norwegian retail investors as well as funds that have regulated market-qualifications as a part of their mandate.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Group and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares. Additional factors of which the Company is unaware, or which it currently deems not to be risks, may also have corresponding negative effects.

2.1 Risks associated with the Group's business and the industry in which it operates

2.1.1 Risks related to the Vessels becoming obsolete or requiring major technological advancements

There is a risk that the Vessels (as defined in Section 8.3.1 below) may become less attractive and less in demand, due to enforcement of new environmental requirements and/or the introduction of new technical advancements. The Vessels have an average age of about 11 years, and in 2023, the Vessels will enter into their 12th year (in average). Furthermore, the Vessels run on conventional marine fuel. The current global order book for new PCTCs predominantly comprises vessels capable of running on liquified natural gas (LNG), as well as vessels ready to be converted to run on other fuels, such as ammonia and methanol. Hence, the Group may face risks associated with ageing of the Vessels, changes in technology and environmental requirements, and changed requirements from the Group's customers. Such risks may, if they materialize, result in substantial capital expenditures for the Group in connection with potential upgrades and/or fleet renewal, including instalment of new engines to cater for new fuel types and/or facilitate compliance with other regulatory requirements. Such substantial capital expenditures could have a material adverse effect on the financial position of the Group.

2.1.2 Risks related to operating the Vessels in high-risk areas

The Group is active in a variety of regions, and the Vessels operate globally within several trade routes. From time to time, the Vessels operate in high-risk areas, including the Taiwan strait, Gulf of Guinea, Arabian Gulf/Persian Gulf, the Red Sea, the Black Sea, the Gulf of Aden and the Arabian Sea, the Singapore strait, Malacca strait, Natuna Sea and Western Java Sea and Libyan territorial waters. Such areas have higher political, governmental and economic instabilities, and the Group is exposed to such instabilities, which may harm its operations. If the Vessels are unlawfully detained or detained on unjustified grounds, or facilitation payments are demanded for detained Vessels, as these would commercially be considered to be off-hire pursuant to the respective Vessels' time charter contracts, this could lead to a loss of revenue for the relevant Vessels. For instance, the Group has on one occasion experienced that a Vessel was detained, due to suspicions of unlawful activities, which led to a detention of the relevant Vessel and a day's off-hire, leading to immediate charter revenue loss.

2.1.3 The technical condition of the Vessels may not be as assumed by the Company, and there is a risk that a Vessel does not maintain its class or fail surveys

The hull and machinery of every commercial vessel must be certified as being "in class" by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the Safety of Life at Sea Convention. A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel's machinery may be placed on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period.

The Group expects its Vessels to be on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. After a Vessel ages 20 years, the Group will adhere to class guidelines and dock in period every two to three years as required, in addition to class renewal survey docking requirement every five years. Compliance with the above requirements may result in significant expense for the Group. A Vessel not maintaining its class, or failing any annual, intermediate or special survey, will be unable to trade between ports and will be unemployable, which could have a material adverse effect on the Group's results of operations and cash flows.

2.1.4 The Group operates within an industry which is highly cyclical and affected by macroeconomic conditions

The Group operates a fleet of 20 PCTCs, of which 19 are owned and leased by the Group and one is operated on behalf of a third party, in addition to being the commercial manager for four vessels under construction (see Section 8.3.3 below). The shipping industry has historically been highly cyclical, experiencing volatility in profitability and asset values. This has primarily been due to changes in the level and pattern of global economic growth, the highly competitive nature of the global shipping industry and changes in the supply of and demand for vessel capacity. Furthermore, the instability, uncertainties and recent downturn of the global economy, and volatility in national and international economic conditions (such as interest rate levels), could influence the valuation of real and financial assets, which in turn may impact the demand for goods, services and assets.

The Group's performance and growth depends heavily 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. An increase in the supply of vessels or other vessel capacity, without a corresponding increase in demand for transportation, could cause freight rates to decline. Furthermore, an oversupply of vessels causing pressure on rates for the Vessels could have a material adverse effect on the Group's results of operations and cash flows. In addition, limited availability and increasing prices of raw materials and production input (such as steel and electricity) could result in less production and less demand of goods, which in turn may affect the demand for the Vessels. Consequently, the Group is subject to risks relating to operating in an industry which is highly cyclical and affected by macroeconomic conditions.

2.1.5 Risks related to the Group's dependency on a specific transportation segment

The Group's revenues are generated from its Vessels providing tonnage capacity only for the seaborne transportation of vehicles, high and heavy machinery, agriculture- and mining equipment. The lack of diversification in the Group's line of business makes the Group particularly exposed to risks of an adverse development in this transportation segment. For instance, a decline in volume from export-oriented production areas (including Japan, China and Korea, where the majority of the Group's customers are based), or a decline in demand for vehicles, high and heavy machinery, agriculture- and mining equipment, and in particular the feeder segment, may have a significant impact on demand for the Vessels. In turn, this may have an adverse effect on the Group's results of operations.

2.1.6 The Group is subject to customer risks

The Group's services are purchased by a set of few, but major customers, such as Mitsui O.S.K. Lines, Ltd., Kawasaki Kisen Kaisha, Ltd. ("**K-Line**"), Nippon Yūsen Kabushiki Kaisha, Hyundai Glovis Co., Ltd., Wallenius

Wilhelmsen Ocean AS, Höegh Autoliners ASA, Anji Shipping Co., Ltd., ZIM Integrated Shipping Services Ltd., Grimaldi Euromed SpA and Ford Motor Company Ltd. In order to continue the ongoing business and to protect its earnings, the Group must continue relationships with its customers, in addition to attracting new customers. However, the Group may not be able to maintain its existing customer relationships, enter into new customer agreements or replace outgoing customers, and future customer agreements may not be on terms equally favourable to the Group as its current agreements. Moreover, if the Group's reputation is damaged, customers may desist from engaging in operations with the Group. Consequently, if any of these risks were to materialize, this may have a material adverse effect on the Group's business, results of operations and prospects.

2.1.7 The Group is subject to risks concerning the technical operations of its Vessels

The technical operation of a vessel has a significant impact on the vessels' economic life. Technical risks will always be present. The parties tasked with operating a Vessel or overseeing such operation may not be able to perform their duties according to agreement or satisfaction, even if a monitoring system is established. Failure to adequately maintain the technical operation of a Vessel may adversely impact the operating expenses of the portfolio investment and accordingly the potential realization values that can be obtained. Increased operating expenses or dry-docking costs could in turn have a material adverse effect on the Group's business, results of operations and financial position.

2.1.8 The Group is dependent on third party supply of technical management

The Group has a cooperation with OSM Ship Management Pte. Ltd. ("**OSM**") and Reederei F. Laeisz G.m.b.H., a subsidiary of F. Laeisz GmbH ("**F. Laeisz**"), both independent marine services providers, to which the Group outsources the supply of technical management to all of the Vessels. Consequently, the Group is heavily reliant on technical management being supplied by two third party managers, and their ability to provide technical management for the Vessels. Any failure by the technical managers to perform their duties and obligations could have a material adverse effect on the Group's business.

2.1.9 The Group is dependent on third party supply of crew and officers

The Vessels are operated by crew and officers supplied by third party management, as further described in Section 8.3.2 below. Over the past 12 years, the Group has established a crew base in Odessa, Ukraine, which operates the majority of the Group's fleet. Ukrainian crew and officers of military age risk being drafted into the army in connection with the current war between Ukraine and Russia. This could potentially lead to a lack of qualified crew and officers, which could have a material effect on the Group's operations.

2.1.10 The shipping segment in which the Group operates is highly competitive

The Group's fleet consists of PCTCs, and the specific segment within the shipping industry in which the Group operates is highly competitive. The Group obtains employment for its Vessels in competitive markets, where it encounters competition from owners and operators of PCTCs, such as Ray Car Carriers Ltd., as well as from owners and operators of roll-on roll-off vessels, large car and truck carriers ("**LCTCs**") and pure car carriers ("**PCCs**"). The Group's competitors may have greater resources and financial strength than the Group, which could allow them to better withstand industry downturns, compete more efficiently on the basis of geographic scope and retain skilled personnel. Furthermore, competitive pressure may result in significant price competition, particularly during industry downturns, and new competitors could enter the market and offer lower charter rates or vessels with superior technical specifications. Increased competition may lead to reduced profitability and/or expansion opportunities for the Group, and a decrease of the Group's market share, which in turn could have a material adverse effect on the Group's business and prospects.

2.1.11 The Group is exposed to cargo risks, hereunder related to trade restricted cargo and sanctions

The Group may be exposed to liability for damage or loss of cargo transported on board the Vessels, including due to the breakout of a fire or inadequate securement of the cargo. Furthermore, the Group transports cargo subject to trade restrictions, which implies a risk of queries or allegations of violations of applicable restrictions and sanctions. Although the Group has implemented adequate systems and procedures to avoid any breaches of applicable trade restrictions or sanctions, the Group has in the past received queries of such violations. Hence, in addition to being subject to residual risks of the Group's contracting parties' breach of applicable restrictions or sanctions, the Group may receive new queries or allegations of such violations in the future, which could have a material adverse effect on the Group's business, results of operations and prospects.

2.1.12 Risks related to the illiquidity of the Vessels

The Group owns and operates Vessels which are illiquid assets. From 1 January 2022 and to the date of this Prospectus, only ten vessels out of a global PCTC fleet of 757 vessels have been sold.[2] In comparison, in the dry cargo segment, a total of 655 vessels out of a global fleet of 13,072 vessels have been sold during the same period.[3] Consequently, if the Group in the future wishes or is required to sell any of the Vessels, there is a risk that such sale could not be completed on favourable terms or at all, which in turn could have a material adverse effect on the Group's ability to increase its cash reserves by selling Vessels to meet its debt obligations, and consequently affecting the Group's financial conditions.

2.1.13 Fluctuation of vessel values may result in an impairment of the book value of the Vessels or a loss upon a sale of a Vessel

The correct valuation of vessels at any given time will be subject to uncertainty, and the value of vessels may fluctuate substantially over time. The fair market value of the Vessels and investment in vessel-owning companies may increase or decrease, depending on a number of factors, including charter rates, declines in world trade, increases in the supply or decline in demand of PCTC capacity, steel prices, costs of modifications to existing vessels in response to technological advances in vessel design or equipment, and changes in applicable environmental and/or other regulations or standards. A fluctuation of value may further result in an impairment of the book value of the Vessels. If the Group sells its Vessels or its shares in vessel-owning companies when prices have fallen, before having recorded an impairment adjustment to the Group's relevant financial statements, the sale may be at less than the Vessels' carrying amount in the financial statements, resulting in a loss. Hence, significant fluctuations could have a material adverse effect on the Group's financial position. Furthermore, a negative development of the fair market value of the Vessels owned by the Group may have a material adverse effect on the ability of the Group to comply with covenants in debt financing arrangements, see Section 11.8 below.

2.1.14 The Vessels may be traded in war-like areas and/or exposed to piracy

Charterers of the Vessels may require the Vessels to trade in areas exposed to piracy risk or war-like areas. For instance, acts of piracy and armed robbery have historically occurred in areas where the Group has operated, such as Libya and Nigeria, and there is a risk that acts of piracy, armed robbery, hijackings and kidnapping will continue to occur in these areas. Even though the Vessels will only be trading where the Vessels' insurances are valid, any piracy attack, armed robbery or similar may compromise the safety of the Group's crew and Vessels and could potentially require significant management time and resources. In turn, this could have a negative impact on the daily operations of the Group and its reputation.

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[2] Source: Clarkson Research Services Limited database, category "PCTC S&P sales", as of 16 November 2022. Subscription required to access data

[3] Source: Clarkson Research Services Limited database, category "Dry bulk S&P sales", as of 16 November 2022. Subscription required to access data

2.1.15 The Group is subject to risks of future pandemics similar to the recent COVID-19, both in the event of potential outbreaks on any of its Vessels, among shore-based staff and for car manufacturers

The global economy has been experiencing uncertainty after the outbreak of the COVID-19 pandemic. Authorities worldwide adopted strict measures to reduce and slow the pandemic spread, and recent strict measures implemented in China as a consequence of increased COVID-19 infections demonstrate that the uncertainties may continue, going forward. Should the Group experience a pandemic outbreak on its Vessels, this could lead to downtime, quarantines and hindering of the Vessels' activity. There is further a risk that public authorities in countries such as China re-impose strict measures on businesses whose operations depend on physical work, such as car-producing factories. If strict measures lead to a decline in the production of cars, this could cause a decrease in the demand for the Group's services, and expose the Group to increased contract default risks. Such risks, if they materialize, could have a material adverse effect on the Group's operations and financial results.

2.2 Risks related to laws and regulations

2.2.1 Risks related to the Russian invasion of Ukraine, and subsequent sanctions imposed on Russian and Belarusian interests

The recent developments in Europe, with Russia's invasion of Ukraine, have led to a variety of sanctions imposed on Russian and Belarus interests by the EU, the US and others. The Group has implemented procedures to ensure its compliance with sanctions, including by use of Dow Jones' RiskCenter services to screen counterparties, and circulars from Den Norske Skipsforsikring for Skib (DNK) regarding trading areas. In order to comply with such sanctions, the Group may have to deny orders for transportation services involving Russia and Belarus. Denying such transportation could lead to cancellation of contracts by the Group's customers, and in turn affect the Group's current operations and results. In addition, the ongoing war and related sanctions may continue to inflict increasing implications on *inter alia* global trade, global markets, fuel prices and increased congestions in ports. As a consequence, the shipping industry may be heavily affected as a fundamental part of global trade, which in turn may have a significant negative effect on the business of the Group. For instance, the invasion and the subsequently imposed sanctions have significantly increased the costs of crude oil and natural gas, which in turn may negatively affect the global sales of vehicles, as well as the supply chains for high and heavy machinery, agriculture- and mining equipment.

As of the date of this Prospectus, the development and duration of the war and related sanctions toward Russian and Belarus interests are highly uncertain, and as such, the medium-term and long-term impacts on the Group's business are challenging to predict. Any prospective investors in the Shares should consider the uncertainties surrounding this situation, and the impact it may have on the Group's operations.

2.2.2 Risks related to developments in regulatory framework

The Group is subject to the laws and legislations in the jurisdictions in which the Group and the Vessels operate and any changes and developments in the legislative framework in such jurisdictions may have an adverse effect on the Group's business. The Group as a whole is exposed to risks regarding the correct interpretation and subsequent compliance with applicable legislation, in particular tax regulations and where relevant, conflicting tax regimes (see Section 2.2.3 below). There is a risk that legislative developments could affect amongst others the economic lives of the Vessels and their earning potential, and the Group may incur additional costs in order to comply with existing and future regulatory obligations.

Changes in the regulatory framework may be implemented by the three main maritime regulatory regimes: (1) classification societies, (2) flag states and (3) coastal states, or other regulatory bodies such as the International maritime Organization ("**IMO**"), the International Court of Justice, the International Labour Organization ("**ILO**"), the European Maritime Safety Agency (a body of the European Commission), and the United Nations Convention on the Law of the Sea ("**UNCLOS**"). In particular, the development of laws and policies affecting trade, investment and changes in tax and/or environmental regulations (such as IMO's implementation of the regulations for Energy

Efficiency Existing Ships Index ("**EEXI**") and Carbon Intensity Indicator ("**CII**"), both to be complied with as from 1 January 2023, and EU's extension of the emission trading system to shipping), could have a materially adverse effect on the Group's financial position, profitability, and reputation.

2.2.3 Risks related to environmental regulations

The Vessels carry pollutants, and there will always be certain environmental risks and potential liabilities involved. The Group's operations are subject to international environmental conventions, laws and regulations, controlling the emission of materials into the environment, requiring removal of materials that may harm the environment or otherwise concerning the protection of the environment. As the Vessels operate in various parts of the world, the Group may be subject to liability for pollution in several different jurisdictions. Laws and regulations protecting the environment have become more stringent in recent years, and may in some cases impose strict liability, rendering a person liable for environmental damage without regard to negligence.

Compliance with environmental laws and regulation may require significant expenditures of the Group. If any of the Vessels were to discharge pollutions into the environment such as bunker oil or marine diesel, or discharge pollutions from the cargo (i.e. cars and trucks) such as gasoline, diesel, anti-freeze and/or electrical batteries, or should the Vessels otherwise be involved in any environmental spill or accident, the Group could incur substantial costs and liabilities and become subject to significant fines in connection with discharges. Such consequences could have a material adverse effect on the Group's financial position, results of operations or cash flows, as some jurisdictions impose particular large fines for clean-ups. The legal fees involved with potential disputes resulting from potential discharges may also be substantial.

2.2.4 Risks related to data protection regulations

The Group operates in a business-to-business context and processes limited amounts of personal data. However, parts of the Group's business activities include the processing of personal data, exposing the Group to stringent data protection and data privacy laws and regulations, including the General Data Protection Regulation (EU) 2016/679 ("**GDPR**"). The Group's presence in Singapore means that the Group also must comply with applicable local data protection legislation. To comply with such applicable laws and regulations, the Group is currently undertaking a compliance project, with assistance from external council. However, as of the date of this Prospectus, such compliance project has not been completed.

Any failure to comply with applicable data protection and data privacy laws and regulations and/or any compromise of security that results in an unauthorized release, transfer or use of personal data in any the countries in which the Group operates, may result in customer reactions or governmental enforcement such as administrative fines, claims for compensation, litigation or public statements against the Group, which could have a material adverse effect on the Group's business and reputation.

2.3 Risks related to the Group's financial position

2.3.1 The Group is exposed to credit risks and contractual default by its counterparties

The Group's customer base consists of relatively few customers, with varying credit risk profiles. As a tonnage provider, the Group is exposed to counterparty risks relating to the Group's customers, and a downturn in financial markets and economic activity may result in lower cargo volumes for the Group's customers and have a negative impact on their income and financial position. If this was to occur, the Group may have to accept counterparties with a higher credit risk, thereby increasing the risk of late payments and outstanding receivables, which could have an adverse effect on the Group's financial condition and cash flows.

2.3.2 The Group may experience loss or liabilities for which the Group is not adequately insured

The Group may face risks for loss or liabilities in relation to property, personal injury or death and the environment, and/or other matters for which the Group is not or not adequately insured. Although the Group's insurance coverage is in line with what is customary for the maritime industry (see Section 8.12 below), particular claims may not be paid by the Group's insurers or not paid in time, and any claims covered by insurance would be subject to deductibles, the aggregate amount of which could be material. Such claims may relate to oil spills or other pollution of the environment which, in certain jurisdiction such as the US, could potentially exceed current insurance coverage. Any uninsured or underinsured loss could harm the Group's business and financial condition and have a material adverse effect on the Group's operations. Furthermore, even if insurance coverage is adequate to cover the Group's losses, the Group may not be able to obtain a replacement ship in a timely manner in the event of a loss. In addition, if the Group fails to comply with applicable regulations, it may be subject to increased liability, which may adversely affect its insurance coverage. The occurrence of a significant accident or other adverse event which is not fully covered by the Group's insurance, or any enforceable or recoverable indemnity from a client, could have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.3 The Group is subject to interest rate risks

As of the date of this Prospectus, all of the Group's material financing arrangements are subject to floating rates of interest, see Section 11.8 "*Financing and other contractual obligations*" below. Consequently, any changes in the interest rates would have a direct effect on the prospective returns of the Group. Interest rate levels can also indirectly affect the value of the Group's assets at the point of a sale, including if the Group in the future wishes or is required to sell any of the Vessels, which in turn would impact the portability of the Group's operations.

2.3.4 The Group may require additional capital in the future, which may not be available on favourable terms or at all

The Group finances its operational activities through a combination of debt and equity. The same applies to acquisitions of new Vessels, lastly evidenced by the financing of the Paglia Acquisition (see Section 8.8 below), and other investments and business opportunities in line with the Company's strategy. Upon maturity of such debt financing, any outstanding amounts must be refinanced. As a result, the Group may need to raise additional funds through debt, equity or other sources of financing to pursue the Company's strategy in the future. Adequate sources of capital funding may not be available when needed, on favourable terms or at all, and the Group's ability to obtain such additional financing, or to refinance outstanding loans upon maturity, will depend in part upon the conditions of the Group's business and operating results. Furthermore, if the Group raises additional funds by issuing new Shares or other equity or equity-linked securities, it may result in a dilution of the holdings of the Company's existing shareholders. If funding is insufficient at any time in the future, the Group may be unable to take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's business and prospects.

2.3.5 The Group is subject to covenants under financial arrangements and breach of any such covenants could have a material adverse effect on the Group's operations

The Group is subject to a number of operational and financial covenants under its financial arrangements, see Section 11.8 "*Financing and other contractual obligations*" below. Such covenants relate to inter alia the performance of certain Group companies and their affiliates, set restrictions on freedom to operate and the management of the Group's business, and may limit the Group's ability to, among other things, incur additional indebtedness, make certain disposals, conduct corporate reorganizations, and make investments or acquisitions. In particular, the Group companies are subject to certain financial covenants and restrictions on their ability to pay dividends or other distributions. Furthermore, the terms of the Group's current financing agreements (see Sections 11.8.1-11.8.3 below) include cross default provisions and/or change of control clauses, and the compliance with such clauses are closely monitored. However, some covenant and undertakings may in part be beyond the Company's sole control. For instance, the charter free values of the Group's fleet are set by independent shipbrokers, and should these values decrease as a result of assessments by such shipbrokers, the Group would be in breach of covenants relating to the minimum value of the fleet. A default under one of the Group's financing arrangements could lead to defaults and/or changes of control in other financing arrangements of the Group.

Failure to comply with financial and other covenants or any default could have a material adverse effect on the Group's financial condition and operations, including potential increased financial cost, need for refinancing and requirement for additional security or cancellation of loans.

2.4 Risks related to the Shares

2.4.1 F. Laeisz, AL Maritime, Glenrinnes and HM Gram have significant voting power and the ability to influence matters requiring shareholder approval

As of the date of this Prospectus, F. Laeisz holds 26.92% of the Shares, AL Maritime Holding Pte. Ltd. ("**AL Maritime**") holds 8.66% of the Shares, Glenrinnes Farms Limited ("**Glenrinnes**") holds 6.75% of the Shares, and HM Gram Enterprises Limited, HM Gram Investments III Limited and HMG AS (together "**HM Gram**") hold 6.23% of the Shares. In aggregate, these shareholders control 47.13% of the Company's share capital, in addition to being represented on the Board of Directors. The abovementioned shareholders are expected to continue to own a significant shareholding in the Company going forward. A large concentration of ownership may amongst other things have the effect of delaying, deterring or preventing a change of control of the Company that could be economically beneficial to other shareholders. The interests of shareholders exerting a significant influence over the Company may further not in all matters be aligned with the interests of the Company and the other shareholders of the Company, which in turn may have a negative effect on the governance and operations of the Company. The ownership structure of the Company could also have material adverse effect on the market value for the Shares.

2.4.2 Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Company has implemented an LTIP for members of the Management and other employees of the Group (see Section 12.6.1 below) and an Option Program for members of the Management (see Section 12.6.2 below). Pursuant to the LTIP, the participants will on or around 1 June 2025 receive three Shares per committed Share (currently 94,634 Shares in aggregate), each contingent on the criteria set out in Section 12.6.1 below, which may result in the issuance of a total of 283,902 new Shares, equivalent to approximately 0.9% of the Company's current share capital. In relation to the Option Program, the Company has as of the date of this Prospectus issued a total of 800,000 share options, each giving the right to acquire one Share, equivalent to approximately 2.78% of the Company's current share capital. Furthermore, the Board of Directors has two authorizations to increase the Company's share capital by up to NOK 20,928,988 in aggregate (of which NOK 4,185,797 is limited to use under the Company's incentive programs), equivalent to 25% of the Company's current share capital (see Section 13.6 below).

The Authorization, as defined in Section 13.6, was used to issue the 563,218 Consideration Shares to F. Laeisz in connection with the Paglia Acquisition (see Section 8.8 below). Furthermore, the Company may decide to offer new Shares or other securities in order to finance new vessel acquisitions, other investments and business opportunities in line with the Company's strategy, or for any other purposes. Both the LTIP, the exercise of options under the Option Program and any such offering could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings and the net asset value per Share. Furthermore, any offering by the Company of new Shares could have a material adverse effect on the market price of the Shares.

2.4.3 Future sales, or the possibility for future sales, of Shares may affect the market price of the Shares

In connection with the Euronext Growth Admission, the Board Members (except for Board Member Clivia Breuel and alternate Board Member Nicolaus Bunnemann), members of the Management, F. Laeisz and the former shareholders of the Company's predecessor, GCC Singapore, agreed with Fearnley Securities AS and Pareto Securities AS, acting as the Company's advisors in connection with the Euronext Growth Admission (the "**Euronext**

Growth Advisors") to restrict their ability to sell or transfer Shares for a period of 12 months after the Euronext Growth Admission, see Section 13.8.4 below. These lock up restrictions expire on 31 January 2023. Furthermore, the Euronext Growth Advisors may, in their sole discretion, waive these restrictions prior to such expiry date. Consequently, such parties may sell Shares or effect other transactions upon the expiry of the lock-up period or the waiver of the lock-up restrictions. Any sales of substantial amounts of Shares in the public market, by the abovementioned shareholders or others, or the perception or any announcement that such sales might occur, could result in a material adverse effect on the market price of the Shares, making it more difficult for holders to sell their Shares at a time and price that they deem appropriate. Furthermore, during the periods immediately prior to and following the end of the periods of sales restriction provided for by lock-up arrangements, the market price of the Shares may fall in anticipation of a sale of Shares.

2.4.4 The value of the Shares and any dividend paid on the Shares could for investors whose principal currency is not NOK be adversely affected by exchange rate fluctuations

Payments of dividends on the Shares are and will in the future continue to be denominated by the Company in USD. However, the Shares are priced and traded in NOK and any dividends will be distributed through the VPS in NOK. Consequently, exchange rate movements will affect the value of dividends and distributions for investors whose principal currency is not NOK, and negative exchange rate developments may, especially over time, materially and adversely affect the value of the Shares held by such investors.

Investors registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar (as defined herein). The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant investor's currency will be the VPS Registrar's exchange rate on the payment date.

2.4.5 Investors with Shares registered in a nominee account may not be able to exercise their voting rights

A number of the Company's shareholders own Shares that are registered on nominee accounts. Beneficial owners of the Shares that are registered in nominee accounts or otherwise through a nominee arrangement (such as brokers, dealers or other third parties) may not be able to vote for such shares, unless the ownership is re-registered to the respective shareholder in the VPS prior to any general meeting in the Company. There is a risk that beneficial owners of the Shares do not receive the notice of any general meeting in time to instruct their nominees to either effect a re-registration of the beneficial interests registered in the VPS or otherwise instruct the VPS Registrar to vote for their Shares in the manner desired by such beneficial owners. There is also a risk that technical deficiencies in the VPS systems lead to delays in instructions, which may in turn lead to delays in the effectuation of a re-registration of the beneficial interests in the VPS, and which may subsequently materially adverse effect on the beneficial shareholders' ability to vote for their Shares.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Listing of the Shares on the Oslo Stock Exchange.

The Board of Directors of Gram Car Carriers ASA accepts responsibility for the information contained in this Prospectus. The Board Members confirm that to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Oslo, 30 November 2022

The Board of Directors of Gram Car Carriers ASA

Ivar Hansson Myklebust
Chair of the Board

Nikolaus H. Schües
Vice chair of the Board

Alasdair Locke
Board Member

Nils Kristoffer Gram
Board Member

Christine Rødsæther
Board Member

Dr. Gaby Bornheim
Board Member

Clivia Breuel
Board Member

4 GENERAL INFORMATION

4.1 Important investor information

This Prospectus has been prepared in order to facilitate the Listing of the Shares on the Oslo Stock Exchange.

This Prospectus has on 30 November 2022 been approved by the Norwegian FSA, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval shall not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

The Company has furnished the information in this Prospectus. The Company's advisors make no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future.

The information contained herein is current as of the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the date of this Prospectus and the Listing, will be presented in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or by any of its affiliates, representatives or advisors.

Neither the Company nor any of its affiliates, representatives or advisors, is making any representation, express or implied, to any offeree or purchaser of the Shares regarding the legality or suitability of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "*Risk factors*" beginning on page 10.

4.2 Presentation of financial and other information

4.2.1 Financial information

4.2.1.1 Introduction

The Company was incorporated in Norway on 3 August 2021 as a 100% owned subsidiary of GCC Singapore, domiciled and incorporated in Singapore. Gram Car Carriers was incorporated to become the parent company of a new Norwegian corporate structure that was set up for the purpose of the Reorganization (see Section 8.2 below). The Reorganization was carried out to re-domicile the Group from Singapore to Norway, by mirroring the corporate structure in Singapore (with GCC Singapore as the parent company), to prepare for the Euronext Growth Admission. GCC Singapore and its subsidiaries, prior to the Reorganization, are together referred to as the "**Former Group**".

Prior to the completion of the Reorganization, all Vessels (as defined in Section 8.3.1 below) and related business activities were operated by the Former Group, with the exception of the Vessels "*Viking Passama*" and "*Viking Passero*".

Not taking into account the Euronext Growth Private Placement and the F. Laeisz vessel Acquisition (as defined in Sections 8.1 and 8.2 respectively below), the Reorganization established the same shareholder structure in Gram Car Carriers as had been in GCC Singapore, prior to the Reorganization. Furthermore, the Reorganization, by the transfer of the business of the Former Group to the Group, has for accounting purposes been considered to effectively represent a re-domiciled continuation of the Former Group, in combination with a refinancing of the Former Group and the issuance of new Shares in the Euronext Growth Private Placement. Consequently, the Company has in its consolidated financial statements (see Section 4.2.1.3 below) recognized the carrying values of assets and liabilities transferred to the Group in line with the carrying values in the Former Group, i.e. to continuity (predecessor accounting). As such, the Reorganization has not resulted in any purchase price analysis, fair value adjustments or goodwill, and there has been no uplift to the carrying values of assets and liabilities compared to what was recognized in the Former Group's financial statements (see Section 4.2.1.2 below).

As further detailed in the following Sections, the financial information in this Prospectus has been derived from the following financial statements (together, the "**Financial Information**"):

(i) The audited Former Group Financial Statements for 2020 and 2019, see Section 4.2.1.2 below, enclosed as Appendices C and D;

(ii) The Audited Financial Statements for the periods 1 January – 30 June 2022 and 1 January – 31 December 2021, enclosed as Appendix F;

(iii) The unaudited interim financial statements as of and for the six months' period ended 30 June 2022 and 30 June 2021, see Section 4.2.1.3 below, incorporated by reference in this Prospectus; and

(iv) The unaudited Interim Financial Statements as of and for the nine months' period ended 30 September 2022 and 30 September 2021, see Section 4.2.1.3 below, incorporated by reference in this Prospectus.

4.2.1.2 Historical financial information for GCC Singapore (predecessor of the Company)

The Former Group Financial Statements

The direct predecessor of the Company, GCC Singapore, has prepared audited, consolidated financial statements for the Former Group as of and for the years ended 31 December 2021, 2020 and 2019 in accordance with the Singapore Companies Act and financial reporting standards in Singapore ("**Singapore FRS**"). GCC Singapore's financial statements have been audited by Deloitte & Touche LLP. Based on the explanation given in the following paragraphs, the "**Former Group Financial Statements**" refer only to GCC Singapore's financial statements as of and for the years ended 31 December 2020 and 2019.

As part of the Reorganization completed in January 2022, all assets and liabilities of the Former Group were transferred to the Group. GCC Singapore and its current subsidiaries are expected to be liquidated in the fourth quarter of 2022. Consequently, GCC Singapore's financial statements as of and for the year ended 31 December 2021 have not been prepared on the basis of a going concern assumption, as the sale of the Former Group's assets to the Group as part of the Reorganization is deemed to be a realization for the Former Group. Hence, the carrying values of assets have been impaired to net realizable value and classified as assets held for sale as of 31 December 2021, similar to IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*". As such, GCC Singapore's financial statements for 2021 do not represent the financial result and position of the Group going forward and do not include the required information to conduct a well-informed assessment of the Group's financial performance, position and prospects.

GCC Singapore's financial statements for 2021 are included in Appendix B of the Prospectus. However, the figures included therein are not included or discussed in the body of the Prospectus as these figures are considered to be of limited value to the Company's shareholders and other investors.

Qualifications by Deloitte & Touche LLP to the Former Group Financial Statements

In the independent auditor's statement to the Former Group Financial Statements for 2021, Deloitte & Touche LLP has noted as set out below.

> "*We draw attention to Notes 1 and 2 to the financial statements which indicate the financial statements have been prepared on a basis other than that of a going concern as management has expressed its intention to cease the operations of the Group and the Company and will commence liquidation proceedings subsequent to the end of the financial year*."

In the independent auditor's statement to the Former Group Financial Statements for 2020, Deloitte & Touche LLP has noted as set out below. The refinancing completed as part of the Reorganization is further detailed in Section 8.2 below.

> "*As disclosed in Note 1 to the accompanying financial statements, as at 31 December 2020, the Group is in a net current liability position of US$6,209,773 and recorded a loss of US$53,008,837 for the year then ended. As at 31 December 2020, the Group has bank borrowings of US$332,382,793, lease liabilities of US$49,876,948, and cash balance of US$11,570,716. Subsequent to the end of the financial year, the Group has breached a financial covenant under the US$257 million loan facility as the Group has not met the minimum cash requirement as well as a mandatory prepayment clause under the US$257 million facility, which requires the Group to make a prepayment of US$10 million on its US$257 million facility.*
>
> *As at the date of this report, the Group has successfully obtained a waiver of the financial covenants and mandatory prepayment of US$10 million until 30 November 2021 ("Waiver Period"), to enable the Group to refinance its existing loan facilities.*
>
> *The Group is embarking on the following plans to settle and refinance its current loan obligations:*
>
> *(i) Fund-raising of approximately US$100 million by a newly incorporated group ("NewCo") in Norway through issuance of shares to new equity investors ("Equity Fund-raising") by 30 November 2021, and NewCo obtaining a new loan facility of up to US$180 million from new lenders by 30 November 2021. As at the date of this report, the due diligence work for the Equity Fund-raising is in progress, and credit committee approvals and commitment letter have been obtained from the new lenders for the new loan facility of up to US$180 million. One of the condition precedent for the new loan facility is the successful Equity Fund-raising by 30 November 2021.*
>
> *The above arrangement entails the transfer of all of the vessels owned by the Group, except for two of its vessels as mentioned in item (ii) below, to the NewCo at market value at the date of transfer. The proceeds from the Equity Fund-raising and new loan facility by NewCo will be used as purchase consideration for the transfer of the vessels in the Group to the NewCo, therefore allowing the Group to have the funds available to repay its existing US$257 million loan facility to the Lenders by 30 November 2021.*
>
> *(ii) Successful negotiation with a new financier on sales and leaseback arrangement for two of its vessels in order to repay its US$96 million loan facility. As at the date of this report, a non-binding term sheet has been signed and the new financier is pending credit committee approval. The Group plans to novate the sales and leaseback arrangement to the NewCo if item (i) materializes and the novation is subject to the approval of the financier and lessee.*

Upon the successful completion of the events set out in items (i) and (ii) above, management intends to liquidate the Group.

(iii) In the event that the Equity Fund-raising and new loan facility arrangement is not successful, as mentioned in item (i) above, the Group will seek alternative financing arrangements and/or sales of certain vessels with the consent from the existing Lenders, to raise sufficient funds to repay its existing loan facilities and continue its operations.

The Group's management has prepared a cash flow forecast up till October 2022. The projected cash flows are based on assumed charter rates, utilisation and operating expenditure. On the basis of these assumptions, management is of the view that the Group will have sufficient working capital and financial resources to meet obligations as and when they fall due for the next twelve months from the date of authorisation of these financial statements.

Accordingly, the Group's ability to continue as a going concern for at least 12 months from the date of this report is highly dependent on the outcome of the above plans. These matters, along with other matters as set forth in Note 1 to the accompanying financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

In the independent auditor's statement to the Former Group Financial Statements for 2019, Deloitte & Touche LLP has noted as set out below. The refinancing completed as part of the Reorganization is further detailed in Section 8.2 below.

"*As disclosed in Note 1 to the financial statements, as at 31 December 2019, the Company is in a net liability position of US$1,109,261 and recorded a loss of US$1,109,461 for the year then ended. As at 3 July 2020, Gram Car Carriers Holdings Pte Ltd (the holding company) and its subsidiaries (the "Group") was in the advanced stage of negotiations with its Lenders and Lessors for deferred payment arrangements in 2020 and 2021, to pay interest and/or principal when the Group earns its revenue ("Pay-As-You-Earn"), with the objective of achieving a comprehensive amendment to the secured bank loans and lease obligations, so as to maintain sufficient liquidity and cash flows for working capital.*

The Company's ability to continue as a going concern for at least 12 months from the date of this report is highly dependent on the successful conclusion of the negotiations between the Lenders and Lessors of the Group and continued financial support from its related companies, Global Car Carriers III Ltd, Global Adventure Pte Ltd and Global Bravery Pte Ltd. These matters, along with other matters as set forth in Note 1 to the accompanying financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

4.2.1.3 Historical financial information for the Company

<u>The First-year Financial Statements</u>

The Company has prepared consolidated financial statements for the period from its incorporation on 3 August 2021 to 31 December 2021 (the "**First-year Financial Statements**"). The First-year Financial Statements are prepared in accordance with the International Reporting Standards as approved by the EU ("**IFRS**"), applying IFRS 1 "*First-time adoption of IFRS*". The First-year Financial Statements are audited by BDO AS.

The First-year Financial Statements are considered to be of limited value to the Company's shareholders and other investors: As of 31 December 2021, neither the Reorganization nor the F. Laeisz vessel Acquisition had been completed. At such time, Gram Car Carriers was a 100% owned intermediate subsidiary of GCC Singapore and did not hold any assets, other than shares of Gram Car Carriers Management AS ("**GCC Management**") and four other 100% owned Norwegian subsidiaries, incorporated in 2021 to prepare for the Reorganization.

The Company acquired the shares in GCC Management in October 2021 from its (at that time) parent company, GCC Singapore. The transaction was settled by the Company's issuance of new shares to GCC Singapore through contribution in kind. The transaction was for accounting purposes considered as a reverse acquisition, with GCC Management being identified as the acquirer, implying that the carrying values of assets and liabilities in GCC Management are recognized by the Group.

Based on the above, the First-year Financial Statements do not include the required information to conduct a well-informed assessment of the Group's financial performance, position and prospects. The First-year Financial Statements are incorporated by reference in the Prospectus, but the figures included therein are not included or discussed in the body of the Prospectus.

<u>The Audited Financial Statements for the periods 1 January – 30 June 2022 and 1 January – 31 December 2021</u>

As discussed in Section 4.2.1.2 above, GCC Singapore's financial statements for 2021 do not represent the financial result and positions of the Group going forward, as the financial statements have not been prepared on the basis of a going concern assumption. Furthermore, the First-year Financial Statements only cover the period from the Company's incorporation on 3 August 2021 to 31 December 2021 and neither reflect the Reorganization nor the F. Laeisz vessel Acquisition completed in January 2022.

As a consequence of the above, the Company has prepared consolidated financial statements as of and for the six months' period ended 30 June 2022 and as of and for the 12 months' period ended 31 December 2021, in accordance with IFRS (the "**Audited Financial Statements**"). The comparable figures included in the Audited Financial Statements are based on GCC Singapore's financial statements for 2021, however subject to the adjustments set out under "*Adjustments to the comparable figures included in the Audited Financial Statements*" below (the "**Adjusted Financial Statements for 2021**"). The Audited Financial Statements are incorporated by reference in the Prospectus.

The Audited Financial Statements comprise of the Company's balance sheet as of 30 June 2022, 31 December 2021 and 1 January 2021, applying IFRS 1 "*First-time adoption of IFRS*". Furthermore, the Audited Financial Statements include the statement of income for the six months' period ended 30 June 2022 and the 12 months' period ended 31 December 2021, as well as statements of other comprehensive income, changes in equity and cash flows, and notes, including a summary of significant accounting policies in accordance with IFRS.

The Audited Financial Statements, including the Adjusted Financial Statements for 2021, have been audited by BDO AS. In this Prospectus, references to profit and loss and the financial position as of 31 December 2021 will be referring to the figures included in the Adjusted Financial Statements for 2021.

Adjustments in the Adjusted Financial Statements for 2021

Reference is made to the description of GCC Singapore's financial statements as of and for the year ended 31 December 2021 in Section 4.2.1.2 above. In order for carrying values of assets to be presented on the basis of a going concern assumption, the following adjustments have been made in the Adjusted Financial Statements for 2021 as included in the Audited Financial Statements. For figures and further details of the adjustments, please refer to note 26 in the Audited Financial Statements.

a) Reclassification of vessels and tangible assets

As of 31 December 2021, the Vessels and right-of-use assets sold from the Former Group to the Group as part of the Reorganization have been impaired to net realizable value, and reclassified from vessels and other tangible assets and right-of-use assets to assets held for sale in the Former Group's financial statements for 2021. Net realizable value represents the deemed value of the assets implied from the pricing of the Shares in the Euronext Growth Private Placement completed on 13 January 2022 (see Section 8.1 below). Adjustments have been made to reverse an impairment charge amounting to USD 40,875, and also to reverse the reclassification to non-current assets held for sale. Total adjustment to vessels and other tangible assets amount to USD 410,587. Total adjustment to right-of-use assets amount to USD 62,370.

b) Reclassification of liabilities directly associated with assets classified as held for sale

Liabilities directly associated with assets classified as held for sale (see item a) above) have been reclassified with (i) USD 63,437 to interest-bearing debt – non-current, (ii) USD 263,323 to interest-bearing debt – current, (iii) USD 30,433 to lease liabilities – non-current, and (iv) USD 16,351 to lease liabilities – current. USD 1,044 of accrued interest on the interest-bearing debt has been reclassified from trade and other payables, to liabilities directly associated with assets classified as held for sale.

c) Reclassification of trade and other receivables

USD 1,000 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 several leases that were novated in January 2022. For further details, reference is made to note 26 A in the Audited Financial Statements.

d) Reclassification of redeemable convertible loans and trade and other payables

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

Interim financial statements as of and for the six months' period ended 30 June 2022

The Company has prepared unaudited, consolidated financial statements as of and for the six months' period ended 30 June 2022, with comparable unaudited, consolidated figures as of and for the six months' period ended 30 June 2021.

The financial statements for the period ended 30 June 2022 are prepared in accordance with the International Accounting Standard 34 "*Interim Financial Reporting*" as adopted by the EU ("**IAS 34**"), and have been subject to procedures performed in accordance with International Standard on Review Engagements 2410 ("**ISRE**") "*Review of interim financial information*" by BDO AS.

The financial statements for the period ended 30 June 2022 are incorporated by reference in the Prospectus.

The Interim Financial Statements

The Company has prepared unaudited, consolidated financial statements as of and for the nine months' period ended 30 September 2022, with comparable unaudited, consolidated figures as of and for the nine months' period ended 30 September 2021 (the "**Interim Financial Statements**").

The Interim Financial Statements are prepared in accordance with the IAS 34, and have been subject to procedures performed in accordance with ISRE "*Review of interim financial information*" by BDO AS.

The Interim Financial Statements are incorporated by reference in the Prospectus.

4.2.2 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Company. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the potential market in which it may operate. Such information and data are sourced herein as "**Company Information**".

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Company cautions prospective investors not to place undue reliance on the above-mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "*Risk factors*" and elsewhere in this Prospectus.

4.2.3 Vessel valuation reports relating to "Paglia"

The information and data contained in the valuation reports relating to the Vessel "*Paglia*" in this Prospectus have been provided by Hesnes Shipping AS ("**Hesnes**") and Fearnleys A/S ("**Fearnleys**") at the request of the Company. Both Hesnes and Fearnleys are independent and specialized ship brokerage firms with no material interests in the Company. The address of Hesnes is Tenvikveien 373 – 375, N-3140 Nøtterøy, Færder, Norway, and the address of Fearnleys is Dronning Eufemias Gate 8, 0191 Oslo, Norway. Both Hesnes and Fearnleys have given their consent to the inclusion of the vessel valuation reports relating to the "*Paglia*" in this Prospectus. Hesnes' valuation report relating to the "*Paglia*" is as of 1 November 2022 and Fearnleys' valuation report relating to the "*Paglia*" is as of 31 October 2022. There have not been material changes to the values since these dates. See Appendix E "*Vessel valuation reports – "Paglia"*" to this Prospectus for further information about the basis of preparation of the vessel valuation reports.

4.2.4 Currencies

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway and all references to "**USD**" are to the lawful currency of the United States. No representation is made that the NOK or USD amounts referred to herein could have been or could be converted into NOK or USD, as the case may be, at any particular rate, or at all. The Financial Information is presented in USD.

4.2.5 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.6 Alternative performance measures (APMs)

4.2.6.1 Introduction

To enhance investors' understanding of the Group's performance, the Company presents in this Prospectus certain alternative performance measures ("**APMs**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The Company uses APMs to measure operating performance and is of the view that the APMs provide investors with relevant and specific operating figures which may enhance their understanding of the Group's performance. The APMs presented herein have been used in the Prospectus, and it is the Management's opinion that the APMs presented herein are relevant for reporting purposes after the Listing.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the APMs presented herein are commonly reported by companies in the markets in which the Group competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon accounting measures (in particular when acquisitions have occurred), business practice or non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods, and of the Group's ability to service its debt. Because companies calculate the APMs presented herein differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The Company uses the following APM:

Average operating expense (OPEX) per day:	Average OPEX per day is calculated as total operating expenses for the Vessels or a selection of the Vessels during a given reporting period (including vessel running expenses and insurance premiums) divided by days during the period.
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 Vessels or a selection of the 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.
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.
Contract backlog:	The aggregate value of firm contracts with agreed TC rate, terms and/or conditions and where revenue is yet to be recognized.
EBITDA:	Profit/(loss) for the period before net financial items, income tax expense, depreciation and amortization.
Firm contract:	Customer commits to a fixed long term contract at a specified TC rate.

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

4.2.6.2 Calculations and reconciliations of the APM

The tables below set out the APM presented by the Group in this Prospectus on an historical interim and annual basis. The tables below show the relevant APM on a reconciled basis, to provide investors with an overview of the basis of calculation of the APMs. See Section 4.3.5.1 above for a further description of the APMs presented below.

The figures below are extracted from the Group's consolidated statement of profit or loss and related notes, as presented in the Financial Information.

(*in USD 1,000*)	**Q3 2022**	**Q2 2022**	**Q1 2022**	**Sept 2022 Year to date**
Operating revenue	31,451	27,740	23,534	82,726
EBITDA	18,788	16,165	12,691	47,644
EBIT	11,887	9,294	5,906	27,087
Profit/ (loss) for the period	6,521	5,348	2,081	13,950
Cash flow from operating activities	16,804	19,162	8,955	44,921

(*in USD 1,000*)	**30 Sept 2022**	**30 Jun 2022**	**31 Mar 2022**	**30 Sept 2022**
Cash and cash equivalents	33,126	26,496	22,948	33,126
Interest-bearing debt	325,686	325,987	333,005	325,686
Equity ratio	40%	40%	39%	40%

4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear, among other areas, in the following sections in this Prospectus, Section 7 "*Industry and Market Overview*", Section 8 "*Business of the Group*", and Section 10 "*Selected Historical Financial Information*", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates, such as, but not limited to the Group's expansion in existing and entry into new markets in the future.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- the Group's strategy, outlook and growth prospects;
- the Group's operational and financial objectives, including statements as to the Company's medium or long-term growth, margin, and dividend policy;
- the competitive nature of the business in which the Group operates and the competitive pressure and competitive environment in general;
- earnings, cash flow, dividends and other expected financial results and conditions;
- the expected growth and other developments of the industries which the Group operates;
- the Group's planned investments;
- forecasts; and
- the Group's liquidity, capital resources, capital expenditures, and access to funding.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "*Risk factors*".

The information contained in this Prospectus identifies additional factors that could affect the Group's financial position, operating results, cash flow, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as of the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 REASONS FOR THE LISTING

On 23 November 2022, the Oslo Stock Exchange approved the Company's application for Listing, conditioned on the Company satisfying the other listing conditions set by the Oslo Stock Exchange.

The Company believes that the Listing will:

1) enable the Company to realize further growth potential and strengthen its position in the PCTC shipping segment;

2) further diversify and increase the Company's shareholder base and enable other investors to take part in the Group's future growth and value creation;

3) provide a market place for the Shares more suitable for the Group's business and operational history and give the Company improved access to the capital markets for potential future funding;

4) enhance the Group's profile with investors, customers and other business partners; and

5) open up for investors and investor products that require a regulated stock exchange, including share savings account for Norwegian retail investors as well as funds that have regulated market-qualifications as a part of their mandate.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividends 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. See Section 6.2 "*Legal and contractual constraints on the distribution of dividends*" below for more information.

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.

As of the date of this Prospectus, the Company has paid a total of NOK 70,042,240 (equivalent to USD 6,970,000) in dividends, of which:

a) NOK 9,999,600 (equivalent to USD 1,040,000) was distributed for the first quarter of 2022, with a dividend amount per Share of NOK 0.3482, equivalent to USD 0.0362;

b) NOK 25,872,600 (equivalent to USD 2,670,000) was distributed for the second quarter of 2022, with a dividend amount per Share of NOK 0.9008, equivalent to USD 0.093; and

c) NOK 34,170,040 (equivalent to USD 3,260,000) was distributed for the third quarter of 2022, with a dividend amount per Share of NOK 1.1897, equivalent to USD 0.11.

The Company did not pay any dividend for the year ended 31 December 2021.

6.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45, as amended (the "**Norwegian Public Companies Act**"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The Company's financial agreements and financial covenants thereunder (see Section 11.8 "*Financing and other contractual obligations*" below) may from time to time impose restrictions on the Company's ability to pay dividends according to the dividend policy. In the event that the Company wishes to distribute more than 50% of its net profits, the Group will be required to obtain consent from its lenders and lessors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

a) Section 8-1 of the Norwegian Public Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).

b) The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the general meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.

c) Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Public Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting when it resolved to issue new shares of the company. A subscriber of new shares of a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises (Nw.: *Foretaksregisteret*). The Norwegian Public Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 15 "*Norwegian taxation*".

6.3 Manner of dividend payments

Although the Company's dividends will be declared in USD, the Company's share capital is denominated in NOK and all dividends on the Shares will therefore be set in NOK. As such, investors whose reference currency is a currency other than NOK may be affected by currency fluctuations in the value of NOK relative to such investor's reference currency in connection with a dividend distribution by the Company.

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the Company's registrar with the VPS, SpareBank 1 SR-Bank ASA (the "**VPS Registrar**"). Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered accounts, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

7 INDUSTRY AND MARKET OVERVIEW

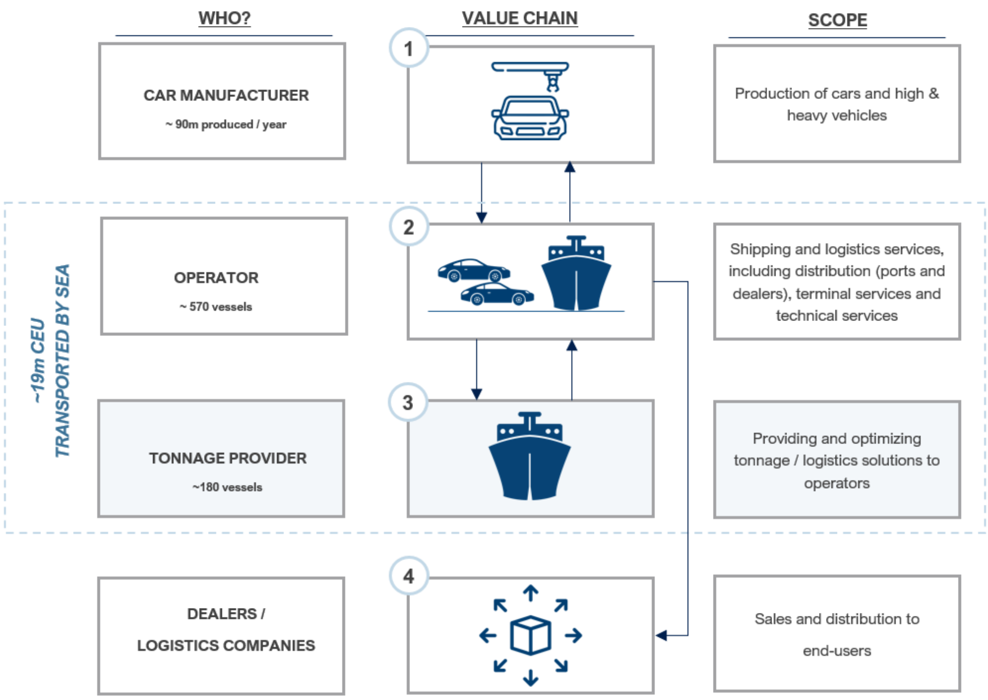
7.1 Principal markets

7.1.1 Introduction to the car carrier market

The Group's principal activity since its inception, in direct continuity of the Former Group founded in 2006 (see Section 8.1 below), has been, and remains, to serve as a tonnage provider to the global car carrier industry. The Group's business involves the ownership, leasing and commercial management of specialized vessels referred to as car carriers (PCCs or PCTCs), which are chartered, on longer or shorter contracts, to operators of such tonnage, being referred to as car carrier operators (e.g. Wallenius Wilhelmsen ASA). The car carrier operators, in turn, enter into contracts with car manufacturers (e.g. Tesla) 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 (e.g. Kuehne + Nagel International AG).

As a tonnage provider, the Group offers the car carrier operators a degree of fleet flexibility and possibility to take on contracts without owning the required tonnage. The Group is not directly engaged in the contracting with car manufacturers. The Group's main sources of revenue and other operating income are time charter revenues, commercial management fees and time charter hire commissions. The Group's clients include some of the largest global car carrier operators, including Wallenius Wilhelmsen ASA, Höegh Autoliners ASA, and several Asian operators. The Vessels (see Section 8.3.1 below) are chartered on time charter contracts with durations ranging from 9 months to 6 years, with a current average remaining duration of 1,396 days.

Please see below an overview over and the value chain in the car carrier market:



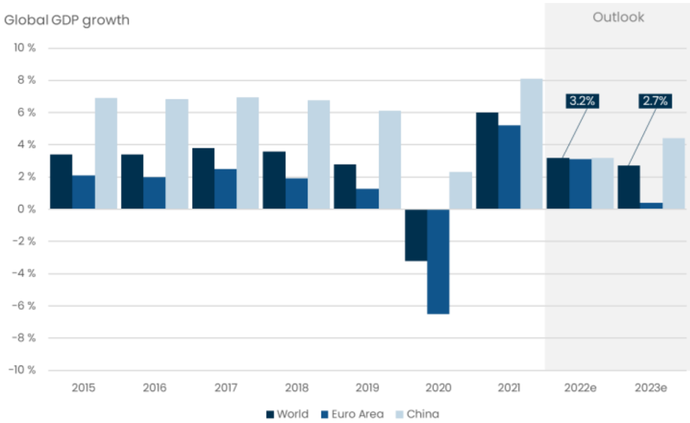
Source: Company Information (consolidated figures from various brokers)

7.1.2 Current state and outlook of the car carrier market

The IMF's most recent economic forecasts for 2022 show GDP growth of around 3%, representing an expected slowdown from approximately 6% growth in 2021 as activity rebounded with the easing of the COVID-19 impact. The slower growth is expected to impact the pace of recovery of global car sales. LMC Automotive reduced its

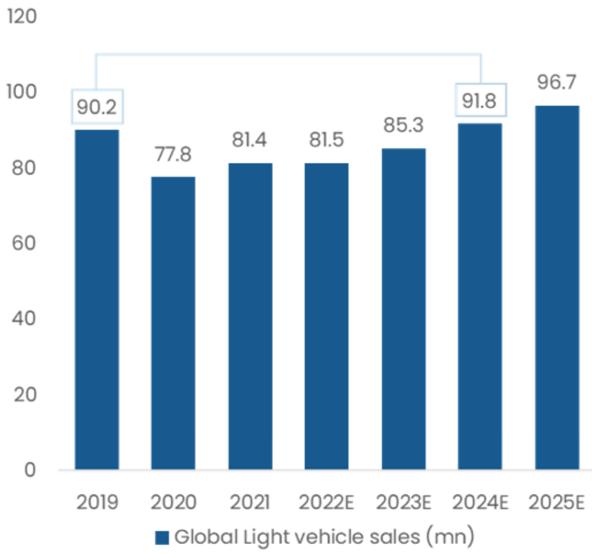
2023-forecast for global light vehicles sales from 90.6 million units at the start of the year to 85.3 million at the end of October 2022. This still indicates a 4.7% increase in car sales in 2023 from 2022. Further growth in car sales is expected to exceed pre-COVID-19 levels from 2024. The ongoing electrification of the car fleet implies earlier replacement cycles of the traditional combustion engine vehicles contributing to an increase in car sales and increased car trade. At the same time, car inventories are continuing to be at low levels indicating growing pent-up demand as inventories needs to be replenished.

Global economic growth:



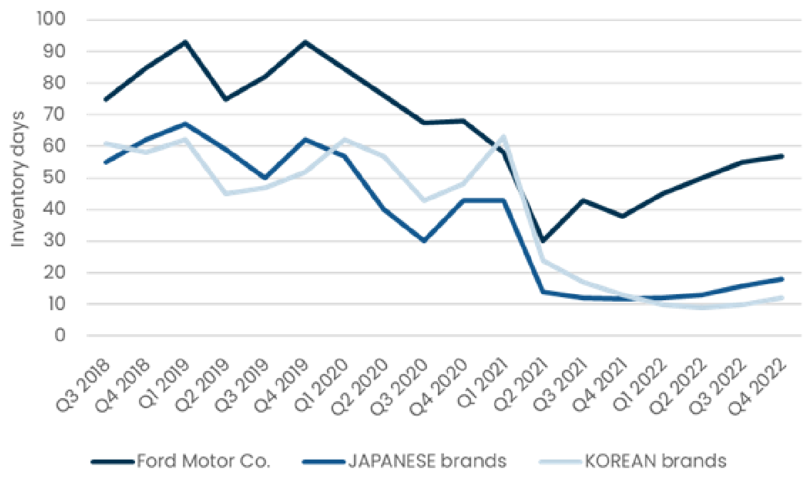
Source: IMF, "World Economic Outlook", published 11 October 2022, [Link]

Car sales estimates:



Source: LMC Automotive, "Global Light Vehicle Forecast – Quarter 3, 2022", published in October 2022, subscription required to access data

U.S. car inventories:

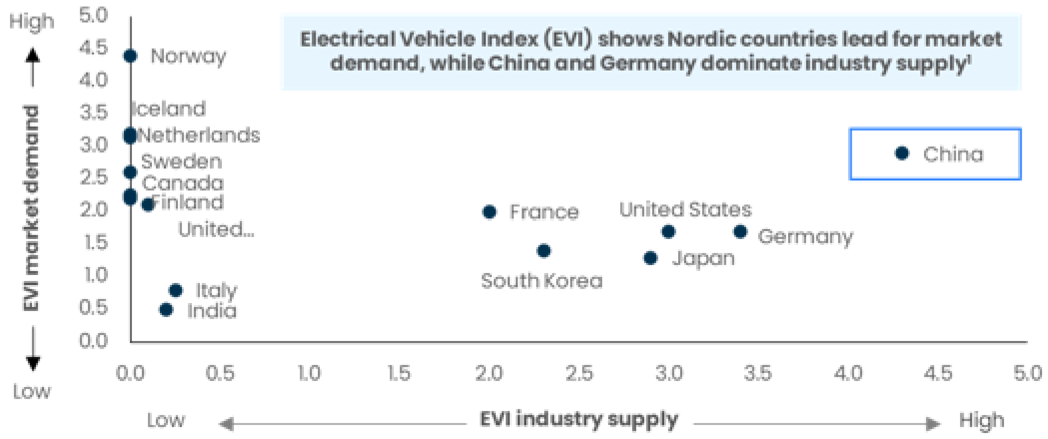


Source: Automotive news Research & Data Center, "Inventory – U.S. car and light-truck, on November 1", published in November 2022, subscription required to access data

7.1.3 Electric vehicle development and the role of China

The electrification of the car fleet is affecting the car market and the transportation of cars to a large extent. Electrical cars are continuously increasing their share of the automobile fleet with electrical vehicle sales estimated to be between 30 million and 45 million by 2030.[4] (IEA STEPS scenario and IEA SDS scenario, respectively). The combination of customers and governments pushing for cleaner and lower-emission car transportation, and significant technology and cost improvements for electrical vehicles are important drivers for the increasing share of the automobile fleet.

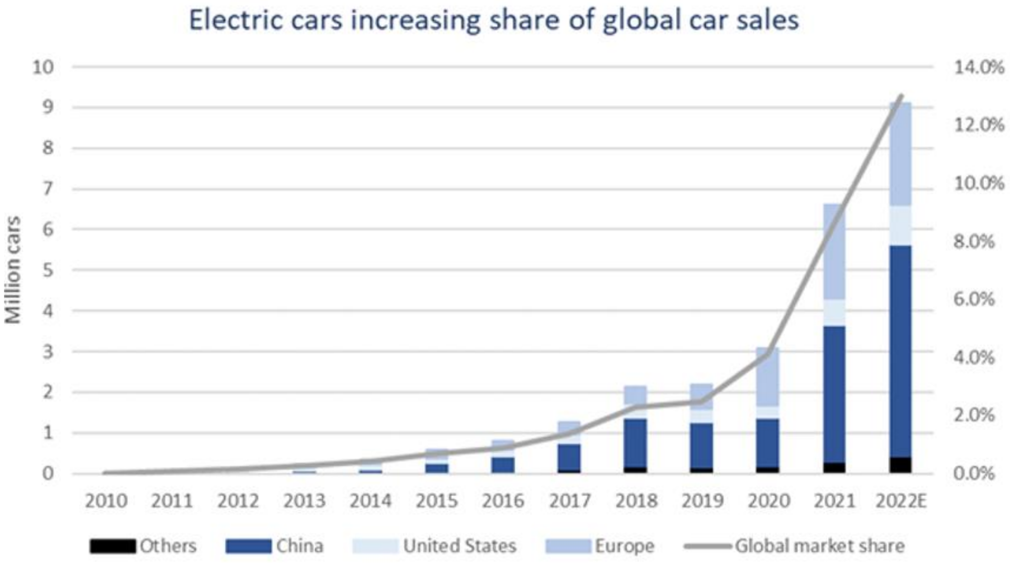
EV supply and demand drivers:



Source: McKinsey Center for Future Mobility, "McKinsey proprietary Electric Vehicle Index (EVI)" published 17 July 2020, Link

[4] International Energy Agency, "Global EV Outlook", published in May 2022, Link

EV share of global car sales:

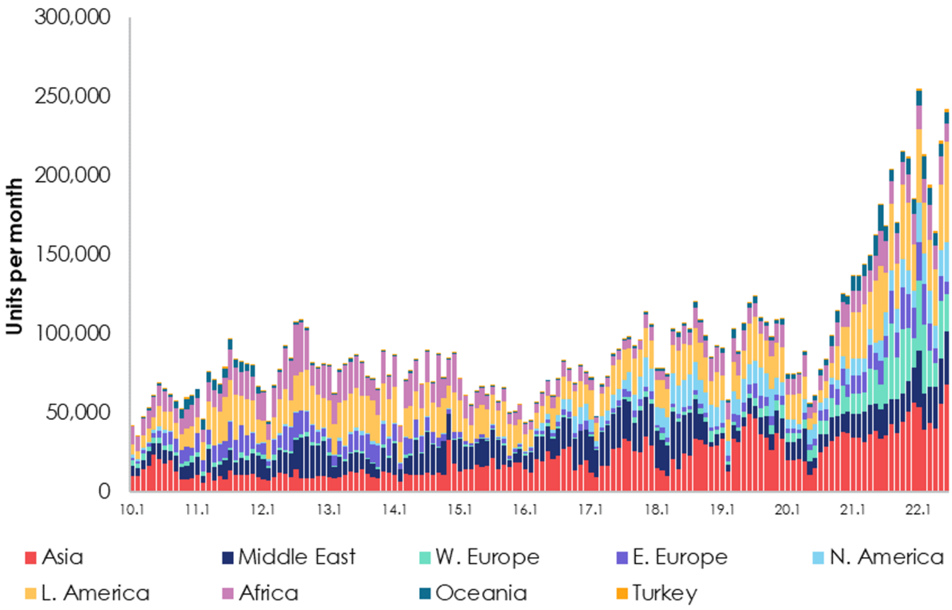


Source: EV-Volumes.com, "Global EV Sales for 2022 H1", extracted 11 November 2022, Link

China is set to be a key player in the electrical vehicle market going forward with electrical vehicles having an estimated market share of about 60% of new cars sold in 2030. At the same time China is currently exporting an average of about 180,000 passenger cars alone per month contributing positively to demand for seaborne vehicle transportation.[5] China has been expanding their auto-maker industry with giga-factories closely linked to major shipping hubs, such as Shanghai (the world's largest port), with a large, skilled, and cost-efficient work force. Currently western car manufacturers such as Tesla, Polestar and BMW are establishing their production lines of electrical vehicles in China with a large share of production servicing the export markets. The combination of continued increased demand for electrical vehicles, in particular in Europe and in the US, and a high share of global production of these vehicles taking place in China, will very likely result in further increase in export from China and ton-mile accordingly.

[5] Source: The Hong Kong Trade Development Council (HKTDC), China Customs Statistics "Export of Auto parts, Motor Vehicles and Vehicles in Quantity and Value, Sep 2022", extracted 13 November 2022, Link

Growing Chinese car exports increase ton-mile demand:

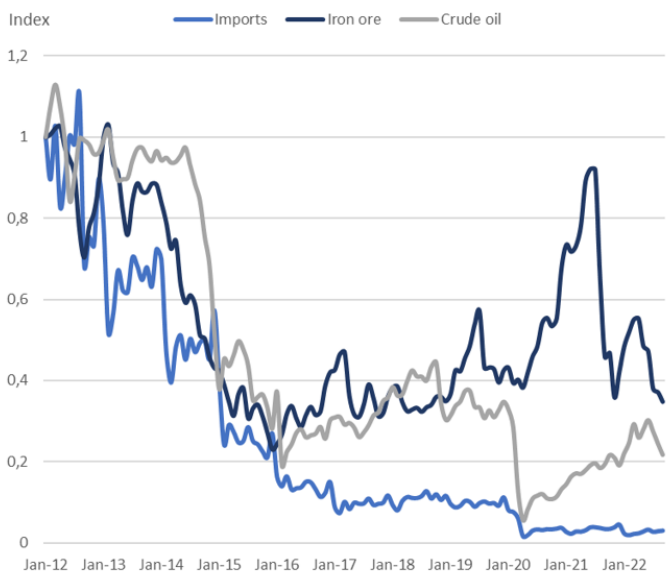


Source: Clarksons Research Services Limited, Chinese Customs Data, Global Trade tracker "PCTC market update" published in August 2022, all available on request

7.1.4 Additional demand drivers

In tandem with the pandemic recovery there has been a substantial increase in commodity prices. Both Middle Eastern and South American countries have historically been important markets in the car trade, there has historically been a strong link between car imports and commodity prices in these countries (e.g., oil and iron ore prices). As such, the resurgence of commodity prices is implying a stronger demand outlook from these regions and is supporting increased demand for the seaborn transportation of cars.

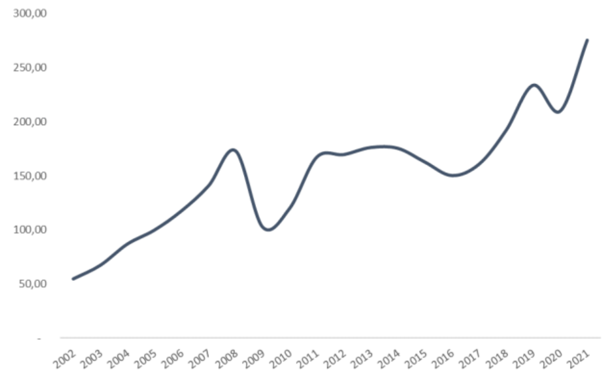
Commodity prices vs. Brazilian imports:



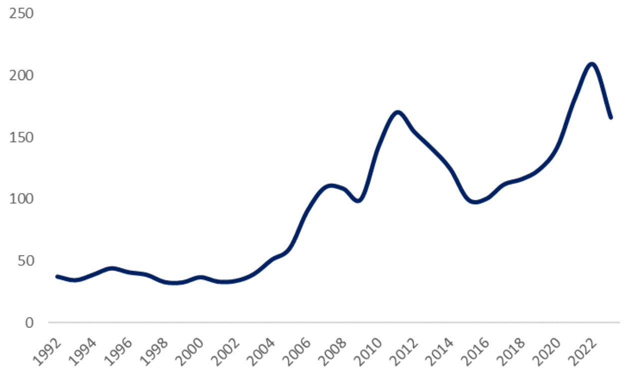
Source: Fearnresearch, Energy Information Administration (EIA), Mysteel and ANFAVEA (www.anfavea.com.br), all as of 11 November 2022, subscription required to access data

As the global economy is recovering from the pandemic there has been a substantial increase in commodity prices as well as consumer prices. Both these elevated prices and the raw material demand from renewable energy build-up and battery components, have led to the Mining, Agriculture and Construction sectors experiencing increased need of machinery to service demand. As many of the self-propelled machineries are transported by sea, High and Heavy volumes have increased significantly during 2022.

Agriculture index:

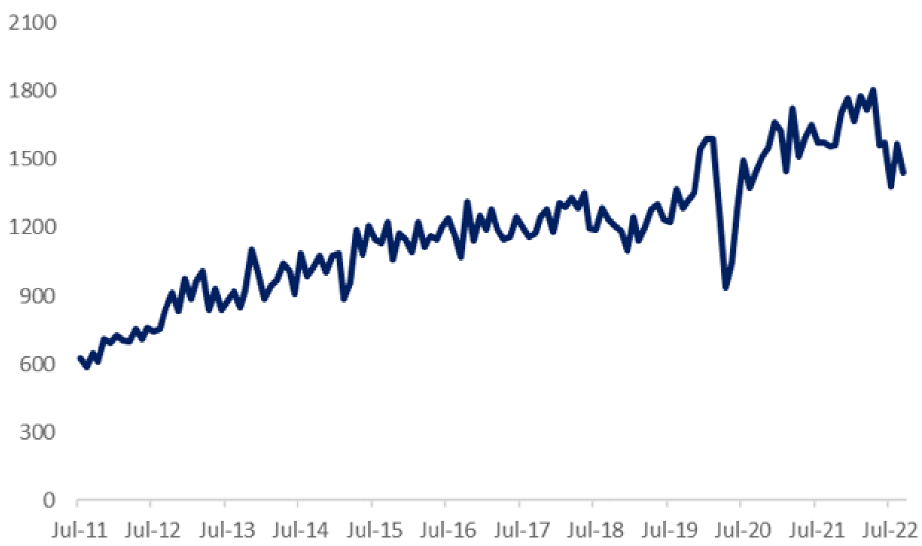


All metals index:



Source: Fearnresearch, IMF, both provided 11 November 2022, available on request

US Housing-construction starts ('000):



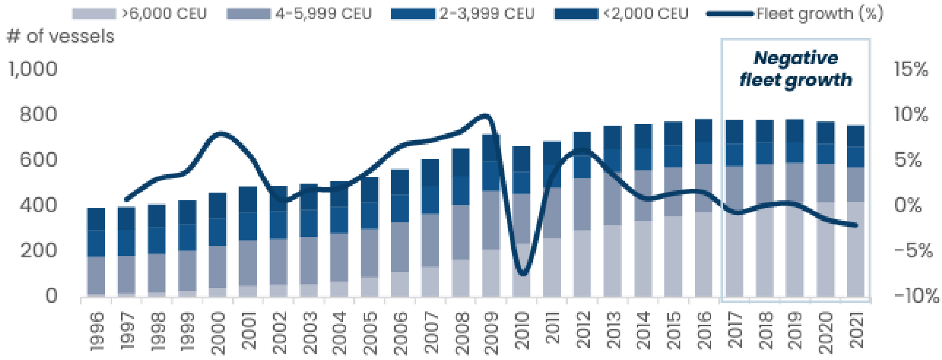
Source: US Consensus Bureau, extracted 11 November 2022, subscription required to access data

7.1.5 Supply

Over the last years the car carrier fleet has seen negative growth with a natural out-phasing of tonnage nearing its end of life, positively improving the supply balance. The current orderbook stands at about 17% of the fleet which is at par with the historical average. As the shipbuilding industry has experienced a significant increase in their orderbooks, the shipyards are fully booked until 2025 and effectively cap the supply of new vessels. Gram Car Carriers estimates the natural replacement need of the fleet being approximately 26 vessels per year, while the current delivery schedule from yards accounts for less than 22 vessels delivered per year from 2023 to 2026.

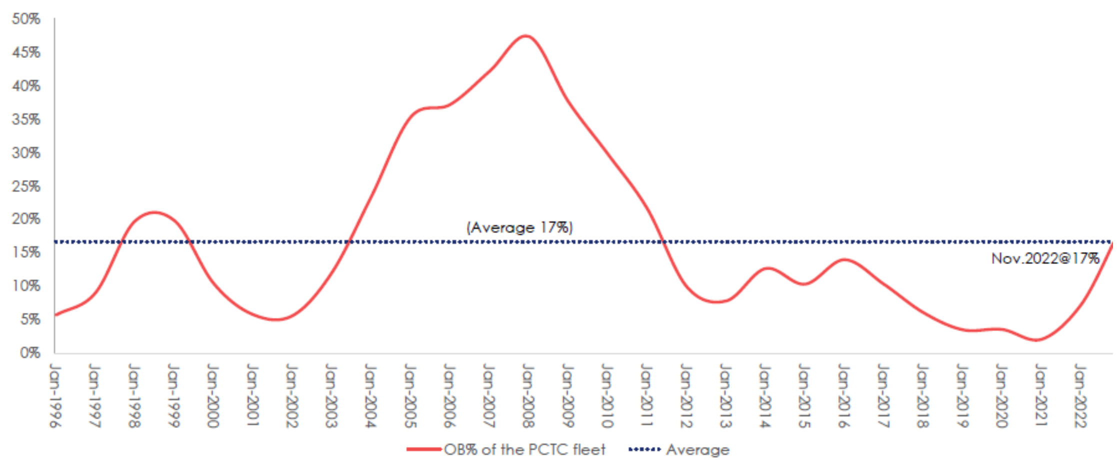
Combined with an ageing fleet (20% being older than 20 years of age), the supply balance is looking favourable with high visibility for the next few years.

Historical fleet development:



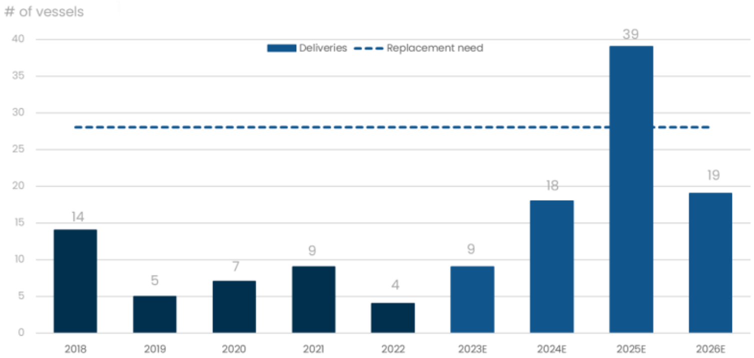
Source: Clarkson Research Services Limited database, "Shipping Intelligence Network", extracted 11 November 2022, subscription required to access data

Orderbook as percentage of fleet:



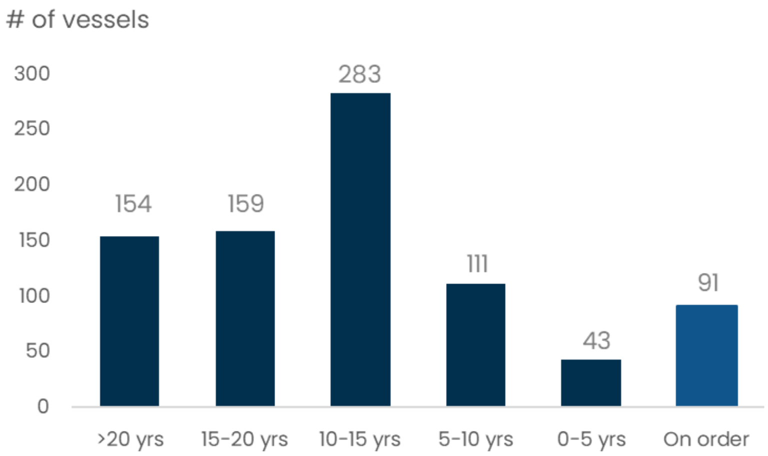
Source: Clarkson Research Services Limited database, "Shipping Intelligence Network", extracted 11 November 2022, subscription required to access data

Orderbook and delivery schedule vs. replacement need:



Source: Company Information, Clarkson Research Services Limited database, "Shipping Intelligence Network", extracted 11 November 2022, subscription required to access data. Late year deliveries might be shown in the following year.

Fleet profile:

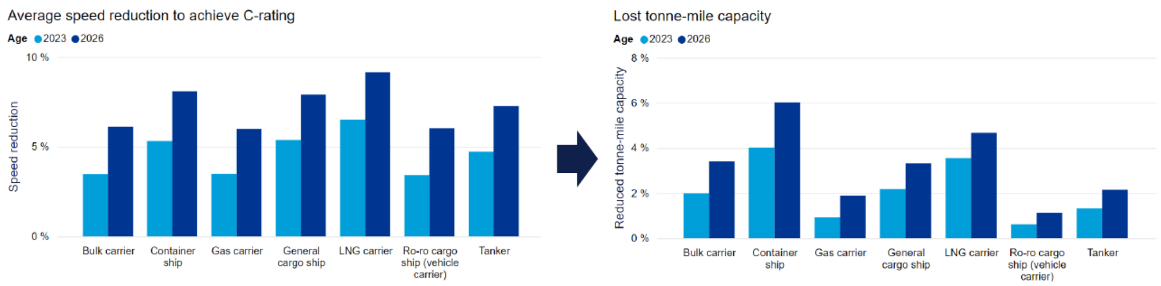


Source: Company Information, Clarkson Research Services Limited database, "Shipping Intelligence Network", extracted 11 November 2022, subscription required to access data.

Upcoming IMO regulations, such as the CII and the EEXI, effective from 2023, are set to further strap the supply side of the car carrier fleet. Det Norske Veritas ("**DNV**") estimates that the effective car carrier fleet will be reduced by about 1% due to a reduction in sailing speed required for shipowners and charterers to comply with stricter emission regulations, while Fearnresearch suggests a reduction of about 5% is more likely.

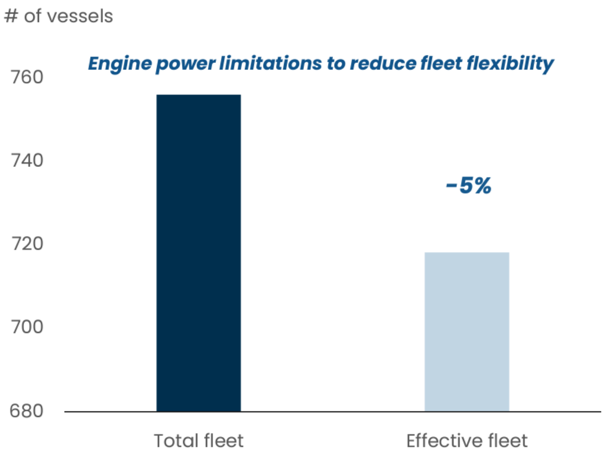
IMO regulations and speed restrictions:

2-6% loss of tonne-mile capacity in 2026 - if all ships apply speed reduction to reach C-rating



- Reduces transport and earning capacity, but supply shortage can lead to higher rates

"C-rating" refers to the ratings pursuant to the CII, spanning from A (major superior) to E (inferior performance level). See Section 8.9 for further information on the CII.

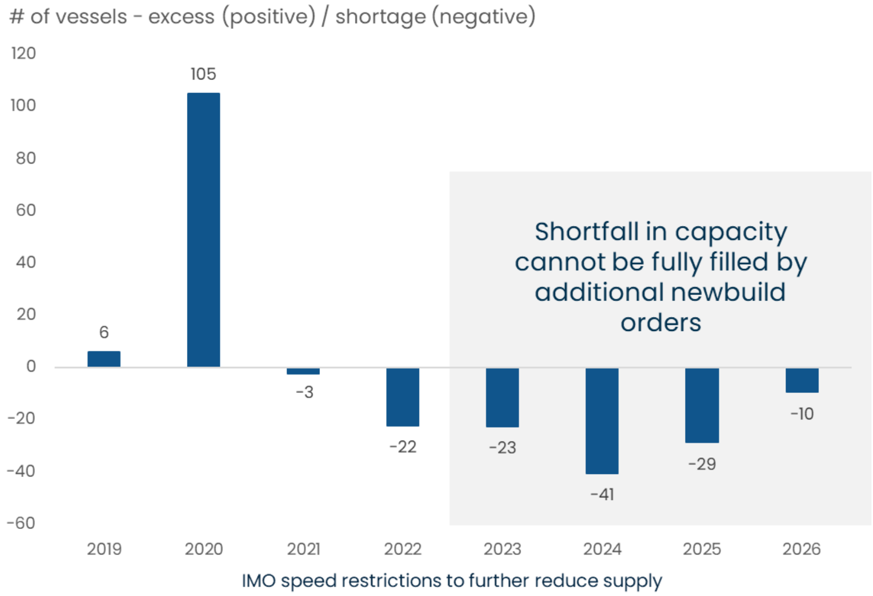


Source: Company Information, Fearnresearch, Det Norske Veritas (DNV),13 October 2022, Impact of environmental regulations, ABG Sundal Collier ASA shipping seminar, 13 October 2022, available on request

7.1.6 Market balance

Gram Car Carriers expects to see a continued shortage of tonnage in the car carrier segment over the coming years, based on anticipated increased demand in combination with low supply growth for the global fleet. The Company expects that the shortfall in capacity will increase from 23 vessels in 2023 to 41 vessels in 2024, before gradually slowing. This should bode well for a continued strong charter market for car carriers.

Car carrier vessel surplus/deficit for each year:



Source: Company Information, LMC Automotive, "Global Light Vehicle Forecast" October 2022, available on request, Fearnresearch, "PCTC Market Update 3Q 2022", October 2022, subscription required to access data, Clarksons Research Services Limited, "PCTC fleet and Orderbook", 13 October 2022, subscription required to access data

8 BUSINESS OF THE GROUP

8.1 Introduction to the Group

Gram Car Carriers is a tonnage provider and focuses on providing a modern, reliable and efficient PCTC fleet with various vessel sizes to suit all aspects of the seaborne car transportation trade. The Group is the third largest car carrier tonnage provider in the world in terms of fleet size.[6] The Group's founder, Peter D. Gram, has been investing in PCTCs since 1982. The direct predecessor of the Company, GCC Singapore, was founded in 2006 and has since established an extensive history of chartering vessels to all major global operators and key regional operators worldwide. In addition to its 17 owned and two leased Vessels (see Section 8.3.1 below), the Group provides commercial management services for one Vessel owned by a third party, through its 100% owned subsidiary, GCC Management. In addition, GCC Management will be the commercial manager for four newbuilt PCTCs upon delivery of these vessels, expected from the fourth quarter of 2025 through the fourth quarter of 2026.

The Company is committed to a sustainable operation. With a long-term sustainability goal of reducing total Greenhouse Gas emissions by at least 50% in 2050, the Company is invested in finding further environmentally friendly solutions to reduce harmful emissions from its Vessels. The Company has been an early adopter of sustainable bio-fuel and is considering carbon capture and hull modifications to further reduce emissions and improve the carbon footprint of the fleet.

On 25 January 2022, the Company completed the Reorganization and the F. Laeisz vessel Acquisition as further detailed in Section 8.2 below. The Reorganization and the F. Laeisz vessel Acquisition were partly financed through a private placement of new Shares of the Company completed on 13 January 2022, raising gross proceeds to the Company of NOK 1.002 billion, equivalent to approximately USD 115.6 million (the "**Euronext Growth Private Placement**").

After completion of the Reorganization, the Company is headquartered in Oslo, Norway, with an office in Singapore.

8.2 The Reorganization and the F. Laeisz vessel Acquisition

Gram Car Carriers was incorporated in Norway on 3 August 2021 as a 100% owned subsidiary of its direct predecessor, GCC Singapore. The Company was established to become the parent company of a new Norwegian corporate structure that was set up for the purpose of the Reorganization (as defined below). The Reorganization was carried out in order to re-domicile the Group from Singapore to Norway, by mirroring the corporate structure in Singapore established in 2006, with GCC Singapore as the parent company, to prepare for the Euronext Growth Admission.

In connection with the establishment of the new Norwegian corporate structure, the main steps set out below were carried out (together, the "**Reorganization**"). The Reorganization was completed on 25 January 2022.

i) A Singapore entity, Gram Car Carriers Services Pte. Ltd. ("**GCC Services**") was established as a 100% owned subsidiary of the Company's subsidiary, GCC Management, and the former employees of GCC Singapore were transferred to GCC Services;

ii) Title and/or rights related to the Vessels and related agreements and assets (excluding the "*Viking Passama*" and the "*Viking Passero*") were transferred from the Former Group to the Group; and

iii) The Group's business was refinanced, which *inter alia* included the following steps:

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[6] Source: Clarkson Research Services Limited database, category "tonnage providers only" as of 4 November 2022. Subscription required to access data

a) The Group secured a USD 222 million credit facility from Danske Bank A/S, Nordea Bank Abp, filial I Norge, Skandinaviska Enskilda Banken AB (publ), SpareBank 1 SR-Bank ASA, and Swedbank AB (publ). The credit facility was subsequently expanded, see further details in Section 11.8.1 below;

b) The Group secured the Leasing Debt of USD 70 million (see Section 11.8.2 below); and

c) USD 46 million in debt related to the Former Group's leasing agreements with CMB Financial Leasing Co. Ltd. and Japan Investment Advisers Co., Ltd., respectively, was transferred to the Group. The debt incurred under the two agreements was subsequently refinanced and became part of the expansion of the USD 222 million credit facility mentioned in a) above, see Section 11.8.1 below.

Following completion of the Reorganization, GCC Singapore, the parent company of the Former Group, initiated a liquidation process, and the company is expected to be liquidated in the fourth quarter of 2022.

Simultaneously with completion of the Reorganization on 25 January 2022, the Group completed a transaction whereby two subsidiaries of F. Laeisz transferred title and rights related to the vessels "*MS Passama*" and "*MS Passero*" (later renamed "*Viking Passama*" and "*Viking Passero*", respectively) to the Company's 100% owned subsidiary Gram Car Carriers Shipowning AS ("**GCC Shipowning**") (the "**F. Laeisz vessel Acquisition**"). The purchase price for the vessels was USD 30,814,000 and USD 30,814,000, respectively. Upon completion of the F. Laeisz vessel Acquisition, the vessels were reflagged from the German ship register and the Madeira ship register respectively, to the Marshall Islands ship register.

The consideration for the F. Laeisz vessel Acquisition was partly settled by contribution in kind by the issuance of a seller's credit, which was converted to shares of Gram Car Carriers by the general meeting on 17 January 2022. At the date of this Prospectus, F. Laeisz holds 7,884,229 Shares, equal to approximately 26.92% of the Company's share capital.

8.3 The Group's principal activities

8.3.1 Fleet list

The Group's fleet currently consists of the vessels set out below (the "**Vessels**").

The Vessels owned by the Group:

#	Vessel[1]	Built	IMO no.	Car equivalent units ("CEU")
Distribution				
1.	City of Oslo	2010	9407677	2,000
2.	Viking Odessa	2009	9398876	2,000
3.	Viking Princess	1996	9136967	1,000
4.	Höegh Caribia	2010	9407665	2,000
5.	Viking Constanza	2010	9407689	2,000
Mid-size				
6.	Viking Drive	2000	9188817	3,500
7.	Viking Diamond	2011	9481075	4,200
8.	Viking Emerald	2012	9514987	4,200
9.	Viking Ocean	2012	9514999	4,200
10.	Viking Amber	2010	9481049	4,200
11.	Viking Coral	2011	9481051	4,200
12.	Viking Sea	2012	9515008	4,200
13.	Viking Passama	2012	9491874	5,000
14.	Viking Passero	2012	9491886	5,000
15.	Paglia[2]	2010	9427940	5,000
Panamax				

16.	Viking Queen	2007	9318462	7,000
17.	Viking Destiny	2017	9728863	6,700

1) All Vessels are registered under the flag of the Marshall Islands.
2) To be renamed "*Viking Paglia*".

The Vessels leased by the Group:

#	Vessel[1]	Built	IMO no.	Owner	CEU
Panamax					
1.	Viking Adventure	2015	9673018	Fortune Car Shipping Limited	6,700
2.	Viking Bravery	2015	9673020	Fortune Truck Shipping Limited	6,700

1) All Vessels are registered under the flag of the Marshall Islands.

The Vessels owned by third parties, for with the Group (through GCC Management) acts as commercial manager:

#	Vessel[1]	Built	IMO no.	Owner	CEU
Mid-size					
1.	Mediterranean Sea	2010	9451006	Mediterranean Sea AS	5,000

1) "*Mediterranean Sea*" is registered under the flag of the Marshall Islands.

8.3.2 Ship management agreements

The Group purchases technical management and crewing services from Reederei F. Laeisz G.m.b.H for the Vessels "*Viking Passama*", "*Viking Passero*" and "*Paglia*". For the other Vessels, such services are purchased from OSM. The respective agreements are based on continuous service level agreements with a minimum contract period of 24 months, after which they may be terminated by giving three months' notice, subject to a separate termination fee. Remuneration pursuant to the respective agreements is based on an annual management fee. OSM and Reederei F. Laeisz G.m.b.H are professional ship management and crewing companies, headquartered in Norway and Germany, respectively.

Commercial management services for all the Vessels are provided by GCC Management.

8.3.3 Commercial management for four newbuilds

In April, the Company's subsidiary GCC Management acted as the commercial adviser during the formation of Global Auto Carriers AS ("**GAC**"), a company created for the purpose of ordering four (7,000 CEU) dual fuel PCTCs from China Merchants Jinling Shipyard (Weihai) co., Ltd, with options for an additional 2+2 vessels at the same yard. GAC is owned by F. Laeisz, AL Maritime, AS Clipper and Surfside Holding AS, all current shareholders of the Company.

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

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

8.3.4 Contract coverage

For 2022, the revenue days open for the Group's fleet, i.e. days for which the Vessels have not yet secured employment, is 0%. As of the date of this Prospectus, the Group's revenue days open for 2023 and 2024 are approximately 10% and approximately 31%, respectively.

Since 1 January 2022 and up to the date of this Prospectus, the Group has entered into the following time charter agreements:

i) On 27 January 2022, the Company announced the signing of a three-year time charter contract for "*MS Passero*" (later renamed "*Viking Passero*") (5,000 CEU) with an Asian operator, commencing in May 2022. The time charter rate is USD 27,700 per day, providing a total contract value of approximately USD 30 million over the charter period.

ii) On 10 March 2022, the Company announced that the Group, as commercial manager on behalf of the owner Arabian Sea AS, had fixed "*Arabian Sea*" (5,000 CEU) on a six-year charter to an Asian operator, with a total contract value of approximately USD 71.2 million plus scrubber premium over the charter period.

iii) On 29 March 2022, the Company announced the signing of a five-year time charter contract for "*Viking Emerald*" (4,200 CEU) with an Asian operator, commencing in May 2022. The time charter rate is USD 28,000 per day, providing a total contract value of approximately USD 51 million over the five-year period. "*Viking Emerald*" had originally been contracted to another Asian operator on a two-year time charter from May 2022, but the Company agreed to swap "*Viking Emerald*" with "*Viking Coral*" (4,200 CEU), coming off its charter in the same period to cover the two-year contract.

iv) On 1 April 2022, the Company announced the extension of the current contract with Seven Seals Co., Ltd. for "*Viking Drive*" (3,500 CEU) until February 2026. The contract has a time charter rate per day of USD 30,000 for year 1, USD 28,000 for year 2, USD 25,000 for year 3, and USD 22,000 for the last 8 months, providing a total contract value of approximately USD 35.5 million over the charter period.

v) On 30 May 2022, the Company announced the signing of a six-year time charter contract for "*Viking Passama*" with Armacup Maritime Services Ltd., a consolidated subsidiary of Wallenius Wilhelmsen ASA, until the fourth quarter of 2028. The contract has a time charter rate per day of USD 33,300, providing a total contract value of approximately USD 72.9 million over the charter period.

vi) On 4 July 2022, the Company announced the signing of a five-year time charter contract with Zim Integrated Shipping Services Ltd. for "*Viking Sea*", until the fourth quarter of 2027. The time charter rate is USD 30,612 per day, providing a total contract value of approximately USD 55.8 million over the charter period. The new contract was in direct continuation with "*Viking Sea's*" current contract with the same charterer.

vii) On 20 July 2022, the Company announced the signing of a 14-month time charter contract with an Asian operator for "*Viking Constanza*" (2,000 CEU) commencing in August 2022, with a time charter rate of USD 17,000 per day, providing a total contract value of approximately USD 7.2 million over the charter period. Simultaneously, the Company announced the extension of the time charter contracts for "*Viking Odessa*" (2,000 CEU) and "*City of Oslo*" (2,000 CEU) with existing charterers both until the second quarter of 2023. The total value of the contract extensions for the two distribution vessels is approximately USD 9.1 million.

viii) On 5 September 2022, the Company announced the signing of two five-year time charter contracts with a major operator for "*Viking Diamond*" (4,200 CEU) and "*Viking Ocean*" (4,200 CEU), commencing in the first quarter of 2023, adding a total of approximately USD 127.8 million of future revenue to the contract backlog. The charters are structured with a tapered time charter day rate profile, starting at USD 50,000 per day per Vessel for year one, before declining stepwise to USD 20,000 per day per Vessel for year five.

ix) On 20 September 2022, the Company announced the extensions of the time charter contract for "*Viking Adventure*" (6,700 CEU) for five years and the time charter contract for "*Viking Coral*" (4,200 CEU) for an additional two years. The contract extensions added approximately USD 135.1 million of future revenue to the Group's contract backlog. The five-year extension for "*Viking Adventure*" has an average rate of USD 60,000 per day, while the extension for "*Viking Coral*" is at USD 35,000 per day.

x) On 18 October 2022, the Company announced the signing of a five-year time charter contract with a major global industry player for "*Viking Destiny*" (6,700 CEU), adding approximately USD 118.6 million of future revenue to the Group's contract backlog. The new time charter will commence in March 2023 in direct continuation to the Vessel's current contract.

xi) On 1 November 2022, the Company announced the signing of a three-year extension of the time charter contract for "*Höegh Caribia*" (2,000 CEU) with the current charterer Höegh Autoliners ASA. The time charter rate is USD 22,000 per day, adding approximately USD 24 million of future revenue to the Group's contract backlog. The new rate and extension will commence in January 2023.

xii) On 10 November 2022, the Company announced the signing of a five-year time charter contract with a European operator for "*Viking Bravery*" (6,700 CEU). The average time charter rate is USD 64,900 per day, and the contract adds approximately USD 118 million of future revenue to the Group's contract backlog. The new time charter will commence in July 2023. The charter is structured with a tapered time charter rate, starting at USD 73,000 per day for year one, before declining stepwise to USD 53,000 per day for year five. The European operator has an option to extend the charter for a further three years at a time charter rate of USD 48,000 per day.

8.4 Competitive strengths and competition

The worlds car carrier fleet consists of 757 vessels.[7] As of the date of this Prospectus, all of the world's PCTCs are trading. Of these, about 180 vessels are controlled by tonnage providers and in direct competition with the Vessels. The Group's main competitors are Ray Car Carriers Ltd. (with 61 vessels) the Cido Shipping Group (with 37 vessels), Zodiac Maritime Ltd. (with 14 vessels) and Eastern Pacific Shipping Pte. Ltd. (with 6 vessels). The Group fleet, consisting of 19 owned and leased Vessels, makes the Group the world's third largest in the market.[8] In general, it is a competitive advantage to have more vessels, with a diversified product offering to the customers. This gives more certainty that revenue will be secured, even though competition is strong. Furthermore, the Group has Vessels spanning the entire size-range, from 1,000 CEU up to 7,000 CEU. This implies that the Group can serve its customers with different size vessels to cater for their various needs and trading patterns. The Management and the Group's employees have long experience in the market and relationships with the Group's customer, enabling the Group to consistently charter out the Vessels to secure employment. Together with its long history (including its direct predecessor) and operational know-how, the Group is positioned well within the market towards its customers and via its competitors.

The barriers to entry into the market is high, in as much that the tonnage providers serve an integral part of the logistics chain to the operators and car manufacturers. Long track record and operational know-how will be important factors when operators chose the company/vessels to perform the operation of transporting its cargo on their behalf towards the end users.

8.5 Vision and strategy

The Group is the third-largest tonnage provider in the world[9] and is supporting global and regional operators of seaborne vehicle transportation with its fleet. The Group continues to secure longer charter contracts at the current

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[7] Source: Clarkson Research Services Limited, "PCTC fleet and Orderbook", 13 October 2022, subscription required to access data
[8] Source: Clarkson Research Services Limited database, category "tonnage providers only" as of 4 November 2022. Subscription required to access data
[9] Source: Clarkson Research Services Limited database, category "tonnage providers only" as of 4 November 2022. Subscription required to access data

rates, as the Vessels roll off their former short-to-medium term charter contracts. The Company's strategy and vision going forward is to recontract its fleet for longer term contracts (see Section 8.3.4 "*Contract coverage*" above). The Group seeks to be the preferred vessel partners for operators of seaborne vehicle logistics all around the world. As such the Company is dependent on the Group's ability to keep its fleet attractive and relevant for the customers' and their needs, including providing fuel-saving and hull-optimizing solutions, as well as cleaner technology to the customers. To achieve this, the Group collaborates with its customers and seeks to offer quality transport services, while continuously reduce the carbon footprints of the worldwide supply chain for the automotive industry. However, the Group may face challenges relating to achieving several of these aims, as such solutions are based on technologies that have so far not been proven, In an effort to mitigate the risks and uncertainties connected to integrating such technologies, the Group seeks to work together with its customers, engine manufacturers and insurance companies to spread out the risks. The Group has inter alia entered into a cooperation with Euro Marine Logistics NV and GoodFuels with respect to certain trials for the Vessel *"Viking* Constanza" and "*City of Oslo*" as further detailed in Section 8.7 below.

Furthermore, as part of its strategy, the Company has a mission to create value for its customers and investors through safe and sustainable operation of the fleet with environmentally friendly solutions to reduce harmful emissions from the fleet. However, implementing such environmentally friendly solutions is costly and the Group may need to raise additional funds through debt or equity, which may not be available when needed (see Section 2.3.5 above). Keeping the Group's fleet compliant with present and future regulatory frameworks applicable to the Vessels may also require significant time and resources of the Group's employees (see Section 8.11 below). As some of the energy-saving technologies required for environmentally friendly solutions are new, the Group expects to encounter certain initial operational challenges with respect to the implementation of such solutions. The Board of Directors and Management consist of experienced industry professionals, who will further contribute to the Company achieving its strategy and vision. The Company also has a stated financial policy to pay at least 50% of its net profit as dividends on a quarterly basis. However, as further detailed in Section 6.1 above, any dividend distributions in line with such policy is dependent on the Company inter alia achieving a substantial increase in revenues compare to previous years, a positive net profit and requirements under the Group's debt facilities (see Section 11.8 below).

8.6 History and important events

The table below shows the Group's key milestones from the Company's incorporation to the date of this Prospectus.

Month, year	Main events
Jan 2019	The Former Group signs a 2 year charter extension with Höegh Autoliners AS of the vessel "*Viking Odessa*"
	The Former Group signs a 1 year charter extension with Siem Car Carriers AS of the vessel "*Viking Queen*"
Feb 2019	The Former Group signs a 2 year charter with EUKOR Car Carriers Inc. of the vessel "*Viking Princess*"
Mar 2020	The Covid-19 virus outbreak is declared a pandemic, resulting in the Former Group having to lay-up a large part of the fleet, due to decreased demand
Sep 2020	Demand for the Former Group's vessels resumed, as car production resumed slowly
Dec 2020	The Former Group signs a 2 year charter with K-Line for "*Viking Adventure*"
	The Former Group signs a 2 year charter with Hyundai Glovis Co., Ltd for "*Viking Bravery*"
	The Former Group signs a 2 year charter with Hyundai Glovis Co., Ltd for "*Viking Destiny*"
Jan 2021	The Former Group signs a 2 year charter extension with Höegh Autoliners AS for "*Viking Odessa*"
	The Former Group signs a 1 year charter with United European Car Carriers for "*Viking Amber*"
	The Former Group signs a 1 year charter extension with Suardiaz for "*Viking Diamond*"
Feb 2021	The Former Group signs a 2 year charter with EUKOR Car Carriers Inc. for "*Viking Princess*"
Mar 2021	The Former Group sold "*Viking Conquest*" and repaid the lease facility associated with the vessel
Apr 2021	The Former Group signs a 1 year charter with Eastern Car Liner, Ltd. for "*Viking Coral*"
	The Former Group signs a 2,5 year charter ex with Hyundai Glovis Co., Ltd for "*Viking Queen*"
May 2021	The Former Group signs a 1 year charter with Gold Star Line Ltd. for "*Viking Ocean*"
June 2021	The Former Group signs a 1 year charter extension with Accordia Shipping LLC for "*Viking Odessa*"

Month, year	Main events
Aug 2021	Incorporation of the Company
Sep 2021	Acquisition of GCC Shipowning and Gram Car Carriers Leasing 1 AS
	Acquisition of Gram Car Carriers Leasing 2 AS ("**GCC Leasing 2**") and Gram Car Carriers Leasing 3 AS
Oct 2021	Acquisition of Gram Car Carriers Management AS through a share capital increase against contribution in kind
Jan 2022	Completion of the Euronext Growth Private Placement (see Section 8.1 above)
	Completion of the Reorganization and the F. Laeisz vessel Acquisition (see Section 8.2 above)
	Conclusion of a three-year time charter with an Asian operator for the Vessel "*Viking Passero*"
	First day of trading of the Shares on Euronext Growth
Mar 2022	The Company signs a six-year time charter for commercial management with Arabian Sea AS for the Vessel "*Arabian Sea*"
	The Company signs a five-year time charter contract with an Asian operator for the Vessel "*Viking Emerald*", and at the same time executes a vessel swap with the Vessel "*Viking Coral*" to cover a two-year time charter with another Asian operator
Apr 2022	The Company signs a TC contract with Seven Seals for "*Viking Drive*", adding USD 35.5 million of contract backlog
	The Company supports the formation of GAC
May 2022	The Company signs a six-year time charter contract for the Vessel "*Viking Passama*", adding USD 72.9 million of contract backlog
July 2022	The Company signs a five-year time charter contract for the Vessel "*Viking Sea*", adding USD 55.8 million of contract backlog
	The Company signs time charter contracts for the Vessels "*Viking Constanza*", "*Viking Odessa*" and "*City of Oslo*"
Sept 2022	The Company signs two five-year time charter contracts for the Vessels "*Viking Diamond*" and "*Viking Ocean*", adding a total of USD 127.8 million of future revenue to the contract backlog
	The Company signs one five-year and one two-year time charter contract extension for the Vessels "*Viking Adventure*" and "*Viking Coral*", adding a total of USD 135.1 million of future revenue to the contract backlog
Oct 2022	The Company submits an application for listing to the Oslo Stock Exchange
	The Company signs a 5-year time charter contract for the Vessel "*Viking Destiny*", adding USD 118.6 million of future revenue to the contract backlog
Nov 2022	The Company signs a three-year time charter contract for the Vessel "*Höegh Caribia*", adding USD 24 million of contract backlog
	The Company signs a 5-year time charter contract for the Vessel "*Viking Bravery*", adding USD 118 million of future revenue to the contract backlog
	GCC Shipowning signs a transfer and investment agreement for the Paglia Acquisition (see Section 8.8 below)
	Completion of the Paglia Acquisition (see Section 8.8 below)

8.7 Research and development

The Group continues to evolve its vessel designs and technology, and in April 2022 the Group acted as commercial adviser during the formation of GAC, a company focused on next generation multifuel vessels (see Section 8.3.3 above). Furthermore, in cooperation with Euro Marine Logistics NV and GoodFuels, the Group has conducted trials for the use of sustainable bio-fuel from May 2021, and as of and from November 2022, the Vessel "*Viking Constanza*" will start operations on bio-fuel, operated by Euro Marine Logistics NV.

The Group is also in the process of starting to test a carbon capture device on one Vessel, and has exchanged technical information and details regarding its Vessels with Value Maritime BV, for the possible installation of an exhaust gas scrubber with carbon capture capabilities. As at the date of this Prospectus, the Group is in discussions regarding the fitting of such equipment on "*Viking Constanza*". However, the process may be expanded to other Vessels, depending on customer interest and/or customer requirements.

Other than this, the Company is not directly engaged in any research and development activities.

8.8 Material agreements outside the ordinary course of business

Other than as set out below and in relation to the Reorganization (see Section 8.2 above) and as part of the formation of GAC (as described in Section 8.3.3 above), neither the Company nor the Group have entered into any material agreements or other agreements containing rights or obligations of material importance to the Company or the Group outside the ordinary course of business. Considering the current state of development of the Company, it is the Company's opinion that its existing business and profitability are not dependent upon any single contracts. Please refer to the agreements entered into as part of the Group's ordinary business described in Section 8.3 "*The Group's principal activities*" above.

In April 2022, GCC Leasing 3 exercised its purchase option under the existing lease for the vessel "*Viking Drive*", entered into between JPV No. 2 Co. Ltd. as lessor and GCC Leasing 3 as lessee. Pursuant to such purchase option, GCC Leasing 3 acquired "*Viking Drive*" for a consideration of USD 12,909,822 which was settled in cash. Upon the transfer of ownership to GCC Leasing 3, "*Viking Drive*" was reflagged from Singapore to the Marshall Islands. The acquisition of "*Viking Drive*" was financed through the USD 15 million Credit Facility as further described in Section 11.8.3.

On 25 August 2022, GCC Leasing 2 completed a refinancing of the Vessel "*Viking Destiny*" through the exercise of a purchase option under the existing lease for the Vessel, with Sea 22 Leasing Co. Limited as lessor and GCC Leasing 2 as lessee. Pursuant to the purchase option, "*Viking Destiny*" was acquired by GCC Leasing 2 for a consideration of USD 28,146,130, which was settled in cash. The Vessel was subsequently transferred from GCC Leasing 2 to GCC Shipowning, for a total consideration of USD 64,285,000, of which (i) USD 4,000,000 was settled by way of a set-off of a previous receivable towards GCC Leasing 2, (ii) USD 28,646,131 was settled in cash, and (iii) USD 31,638,869 was settled through the issuance of a seller's credit. The creditor position under seller's credit was then transferred from GCC Leasing 2 to the Company, in exchange of a new seller's credit, and the original seller's credit was simultaneously converted into equity capital in GCC Shipowning. Following completion of the refinancing and transfer of the "*Viking Destiny*" to GCC Shipowning, the Company has initiated a process for liquidation of GCC Leasing 2. The liquidation of GCC Leasing 2 is expected to be completed in the first quarter of 2023.

On 24 November 2022, GCC Shipowning entered into a transfer and investment agreement with F. Laeisz, MS "Paglia" GmbH & Co. KG (as seller) and the Company, in connection with the acquisition of the Vessel "*Paglia*" (the "**Paglia Acquisition**"), against a total purchase price of USD 49 million. The consideration for "*Paglia*" was settled by a combination of cash and a seller's credit issued by GCC Shipowning to MS "Paglia" GmbH & Co. KG. The consideration in cash consisted of USD 39,200,000 (see Section 11.8.1 below), and the sellers' credit consisted of USD 9,800,000. MS "Paglia" GmbH & Co. KG subsequently transferred the creditor position under the seller's credit to F. Laeisz, which utilized the seller's credit as contribution in kind in exchange for the 563,218 Consideration Shares in the Company, at a price of USD 17.4 per Share. The Paglia Acquisition was completed on 29 November 2022. With respect to the Consideration Shares, F. Laeisz GmbH will be subject to a 12-month customary lock-up.

8.9 Environmental, health and safety matters

The Company's main business is the transport of goods on vessels on water. Due to new environmental regulations coming into effect 1 January 2023, the Company must adapt its fleet to make its Vessels tradable in the long term. Amendments to technical and operational requirements to vessels pursuant to Annex VI of MARPOL (see Section 8.11. below) entered into force on 1 November 2022, and require ships to improve their energy efficiency in the short term, and thereby reduce their greenhouse gas emissions. As of and from 1 January 2023, will further be subject to mandatory calculations of their attained EEXI, to measure their energy efficiency and to initiate the collection of data for the reporting of their annual operational CII and CII rating.

Based on the vessels' CII, their respective carbon intensity will be rated A, B, C, D or E (where A is the best). The rating indicates a major superior, minor superior, moderate, minor inferior, or inferior performance level, and the performance level will be recorded in a "Statement of compliance" to be further elaborated in the ship's Ship Energy Efficiency Management Plan (SEEMP). A ship with a rate of D or E for three consecutive years will have to submit a corrective action plan to the relevant authorities, to show how the required index rate of C or above will be achieved. Administrations, port authorities and other stakeholders as appropriate, are encouraged to provide incentives to ships rated as A or B.

Failing such adaptions could hinder the use of the Group's assets. Conversely, in anticipation of adhering to the new regulations, this will provide the Group with a sustainable business going forward.

The Group is an organization in constant development. Its 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 strengthened internal culture. The Company emphasizes a workplace where diversity is valued and where every employee can develop their individual skills and talents. No discrimination, harassment, or bullying based on any protected legal category (e.g., age, gender, sexual orientation, disability, race, nationality, political opinions, religion, or ethnic background) is tolerated in the Company in any form — verbal, physical, or visual.

8.10 Dependency on contracts, patents and licences

As of the date of this Prospectus, other than certain domain names, the Company does not hold any material intellectual property.

The Group has entered into ship management contracts with OSM and Reederei F. Laeisz G.m.b.H for the supply of crew and technical management of the Vessels, as further described in Section 8.3.2 above. Other than this, and the borrowings described in Section 11.8 below, it is the Company's opinion that the Group's business and profitability are not dependent on any single patent or license, industrial, commercial or financial contract.

8.11 Regulatory framework

Shipping market participants are bound by numerous national, regional and global regulations. The IMO is the UN's specialized agency with responsibility for the prevention of marine pollution and the security and safety of shipping. Moreover, the IMO is an international standard setting authority with main role of creating a fair, effective and globally adopted regulatory framework for the shipping industry. The key IMO conventions are the International Convention for the Safety of Life at Sea ("**SOLAS**"), International Convention for the Prevention of Pollution from Ships ("**MARPOL**") and International Convention on Standards of Training, Certification and Watch keeping for Seafarers ("**STCW**"). Two important IMO conventions were determined in 2016: The International Convention for the Control and Management of Ships' Ballast Water and Sediments (the "**BWM Convention**") and Global Sulphur Cap 2020.

Two significant amendments to MARPOL, the EEXI and the CII, will come into effect on 1 January 2023.

8.11.1 The Ballast Water Management convention

The BWM Convention requires all ships in international trade to manage their ballast water and sediments to certain standards and entered into force on 8 September 2017. Ships utilize ballast water in order to secure stability and structural integrity. The water can contain numerous microbes, algae and animal species, which are carried across the world's oceans and released into new ecosystems. Untreated ballast water could potentially cause severe damage to the maritime ecosystem and introduce invasive aquatic species, which are challenges that the IMO has addressed since the 1980s. Guidelines were first adopted in 1991, which furthermore led to the Ballast Water

Management Convention in 2004. Under the new BWM Convention all ships in international traffic are required to implement a ballast water and sediments management plan. To comply, the ships have to carry a ballast water record book and carry out management according to procedures of a given standard. Furthermore, all ships are required to manage their ballast water on every voyage by using an approved ballast water treatment system.

8.11.2 Global Sulphur Cap 2020

On 27 October 2016, the IMO agreed on a global fuel sulphur limit of 0.5%, which entered into force on 1 January 2020. Under the new global limit, ships have to use fuel with a maximum sulphur content of 0.5%, which is significantly less than the previous level of 3.5%. Ships may meet the limit by either using low-sulphur compliant fuel or implementing cleaning exhaust systems. In the latter case, the system must be approved by the flag state of the vessel.

8.11.3 The Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII)

On 17 June 2021, the IMO amended MARPOL by introducing the EEXI and the CII. Both amendments aim to reduce greenhouse gas emissions from ships. The EEXI solely focuses on a vessel's design, whereas the CII relates to a vessel's operational emissions. The amendments will enter into force on 1 January 2023.

The amendments related to EEXI require the design of all existing vessels of 400 GT or above to comply with a minimum energy efficiency level. The required energy efficiency level, estimating CO2 emissions per capacity mile (e.g. tonne mile), varies based on the ship type and size segment. Vessels that do not meet the required energy efficiency level will have to implement improvement measures, such as limiting their engine or shaft power, optimising their propulsion, or retrofitting energy saving devices like waste heat recovery systems. The EEXI is based on the Energy Efficiency Design Index, which introduced similar energy efficiency design requirements for newbuilds in 2013.

The CII requires all vessels over 5000 GT to quantify and report their annual CO2 emissions arising from the vessel's operations, called the attained annual operational CII. Furthermore, the CII requires ship operators to reduce their annual operational CO2 emissions, which forms part of the equation determining the vessel's required annual operational CII. The vessel's attained annual operational CII will be reviewed against the vessel's required annual operational CII. This review determines the vessel's operational carbon intensity rating, ranging from A to E. A vessel must achieve at least a C rating, which equals the vessel's required annual operational CII. A vessel rated D for three consecutive years, or E, must submit a corrective action plan. Improvement measures include, without limitation, the use of low carbon fuels, speed and routeing optimization, hull cleaning to reduce drag and the installation of solar/wind auxiliary power for accommodation services. The rating thresholds will become more stringent towards 2030.

8.11.4 Norwegian tonnage tax regime

The Group is subject to corporate tax on its profits in accordance with the Norwegian income tax laws and regulations. Net taxable profits are taxed at the corporate income tax rate, currently 22%.

The Company's subsidiaries GCC Shipowning, Gram Car Carriers Leasing 1 AS and Gram Car Carriers Leasing 3 AS, are subject to the Norwegian tonnage tax system. Under the tonnage tax regime, qualifying shipping income is exempt from taxation in Norway. Net Financial income is subject to tax in accordance with the general Norwegian tax rules and certain special rules in the tonnage tax regime. Instead of tax on qualifying shipping income, a tonnage tax based on the net tonnage of the vessel(s) is paid. Norwegian subsidiaries that do not qualify for the Norwegian tonnage tax regime, will be taxed on their net profit according to the general tax rules.

8.11.1 EU Emissions Trading System

The EU Emissions Trading System ("**EU ETS**") was launched in 2005 and is in essence a trading system for emissions allowances. Under the "cap and trade" principle, a maximum (cap) is set on the total amount of greenhouse gases that can be emitted by participating installations and sectors. Allowances are allocated for free or auctioned off and can subsequently be traded. Installations must monitor and report their greenhouse gas emissions ensuring that they have sufficient allowances in hand to cover their emissions.

Emissions from shipping is currently not covered in the EU ETS. However, the EU ETS is currently under revision. The EU Commission, the EU Parliament and the EU Council have all submitted their positions, and a final text is currently being negotiated. It is likely that maritime emissions to and from ports in the EU/the European Economic Area (the "**EEA**") will to some extent be included in the scheme. This means that the Group will likely have to acquire and submit allowances for at least a portion of their greenhouse gas emissions when travelling to and from an EU/EEA port (it is currently uncertain whether other greenhouse gases than CO_2 will be covered). It is uncertain when the EU ETS will possibly begin to apply to shipping. It was initially suggested that it would apply from 1 January 2023, but the latest developments indicate that the directive will begin to apply from 1 January 2024 at the earliest.

8.12 Insurance

In line with what is customary for the maritime industry, the Group maintains a range of marine insurance coverage for the fleet all subject to certain limitations and deductibles. Examples of such marine insurances are protection & indemnity insurance (P&I) covering oil pollution, crew, passengers, cargo as well as certain special insurances, including carriers and charterer's liability cover, wreck removal cover and bunker oil pollution, hull & machinery insurance (H&M), war-risk insurance and loss of hire (LOH).

Furthermore, the Group has directors and officer's insurance applicable globally for members of the Management and all directors of the Group. The Group also has insurance with the Nordisk Defence Club, which is a mutual freight, demurrage and defence (FD&D) club.

The Company considers the Group to be adequately covered with regards to the nature of the business activities of the Group and the related risks in the context of available insurance offerings and premiums. The Management regularly reviews the adequacy of the insurance coverage. However, no assurance can be given that the Group will not incur any damages that are not covered by its insurance policies or that exceed the coverage limits of such insurance policies.

8.13 Legal and arbitrational proceedings

From time to time, the Group may become involved in litigation, disputes and other legal proceedings arising in the course of its business. Neither the Company, nor any of its subsidiaries have, nor have been, during the course of the preceding 12 months, been involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

9 CAPITALIZATION AND INDEBTEDNESS

9.1 Introduction

The financial information presented below provides information about the Group's consolidated capitalization and net financial indebtedness on an actual basis as of 30 September 2022, and in the "As adjusted" column, the Group's unaudited consolidated capitalization and financial indebtedness as of 30 September 2022 on an adjusted basis to give effect of the material post-balance sheet events described below.

The financial information presented in this Section 9 "*Capitalization and indebtedness*" should in its entirety be read in connection with the financial information included elsewhere in this Prospectus, in particular Sections 10 "*Selected historical financial information*" and 11 "*Operating and financial review*", as well as the Audited Financial Statements and related notes, incorporated by reference to this Prospectus.

This Section provides information about the Group's consolidated capitalization and net financial indebtedness as reported in the Interim Financial Statements as of 30 September 2022 and, in the "As adjusted" column, the Group's consolidated unaudited capitalization and net financial indebtedness on an adjusted basis to give effect to the material post-balance sheet event relating to the Paglia Acquisition, see Section 8.8 and 11.8.1 below.

The adjustments made in the tables in Section 9.2 "*Capitalization*" and Section 9.3 "*Net financial indebtedness*" are made solely on the above assumptions.

Other than the above, there have been no material changes to the Group's consolidated capitalization and net financial indebtedness since 30 September 2022 and up to the date of this Prospectus.

9.2 Capitalization

The following table sets forth information about the Group's unaudited consolidated capitalization as of 30 September 2022, derived from the Interim Financial Statements.

(*in USD 1,000*)	**As of 30 September 2022** (*unaudited*)	**Adjustment**	**As Adjusted**
Current debt			
Guaranteed	-	-	-
Secured	37,390[1]	4,000[5]	41,390
Unguaranteed/unsecured	13,456[3]	-	13,456
Total current debt	50,846	4,000	54,846
Non-current debt			
Guaranteed	-	-	-
Secured	288,296[2]	36,000[5]	324,296
Unguaranteed/unsecured	-	-	-
Total non-current debt	288,296	36,000	324,296
Total liabilities (A)	339,142	40,000	379,142
Shareholders' equity			
Share capital	9,657	165[6]	9,822
Legal reserves	-	-	-

Other reserves	216,911[4]	9,635[7]	226.546
Total equity (B)	226,568	9,800	236,368
Total capitalization (A+B)	565,711	49,800	615,511

Notes:

1) Secured current debt comprises the current portion of the USD 302 million Credit Facility with Danske Bank A/S as agent on behalf of six reputable banks (USD 26.9 million) and the current portion of the USD 15 million Credit Facility with Pareto Bank ASA (USD 4.8 million), together with USD 5.7 million of current lease liabilities. The USD 302 million Credit Facility with Danske Bank A/S as agent on behalf of six reputable banks is secured by mortgage over 14 of the Vessels, and the USD 15 million Credit Facility with Pareto Bank ASA is secured by mortgage over two of the Vessels. See Section 11.8 for further details.
2) Secured non-current debt comprises the non-current portions of the USD 302 million Credit Facility with Danske Bank A/S as agent on behalf of six reputable banks (USD 218.9 million) and the USD 15 million Credit Facility with Pareto Bank ASA (USD 8.6 million), together with USD 60.8 million of non-current lease liabilities.
3) Unguaranteed/unsecured current debt consists of trade and other payables of approximately USD 8.2 million and deferred income of approximately USD 5.3 million.
4) Other reserves consists of share premium reserve, retained earnings/accumulated losses and other equity, as presented in the Interim Financial Statements for the nine months' period ended 30 September 2022.
5) As part of the Paglia Acquisition, the Company raised USD 40 million in debt to partly finance the vessel (see Section 11.8.1 below). The adjustment above includes the addition of this debt.
6) Adjustment to share capital of USD 0.2 million is a result of the issuance of the 563,218 Consideration Shares to F. Laeisz as part consideration for the Paglia Acquisition, each Share with a par value of NOK 2.9147 (rounded); resulting in a total of approximately NOK 1.6 million in new share capital (equal to approximately USD 0.17 million). Exchange rate applied is the exchange rate as of 28 November 2022 of 9.9054 NOK/USD.
7) Following the issuance of the 563,218 Consideration Shares in connection with the Paglia Acquisition, other reserves increased by approximately USD 9.64 million, representing the increase in the share premium reserve.

9.3 Net financial indebtedness

The following table sets forth information about the Group's unaudited net financial indebtedness as of 30 September 2022, derived from the Interim Financial Statements.

(*in USD 1,000*)	**As of 30 September 2022** (*unaudited*)	**Adjustment**	**As Adjusted**
(A) Cash	33,126[1]	-	33,126
(B) Cash equivalents	-	-	-
(C) Other current financial assets	-	-	-
(D) Liquidity (A + B + C)	**33,126**	-	**33,126**
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	-	-	-
(F) Current portion of non-current debt	37,390[2]	4,000[4]	41,390
(G) Current financial indebtedness (E + F)	37,390	4,000	41,390
(H) Net current financial indebtedness–(G - D)	**4,264**	**4,000**	**8,264**
(I) Non-current financial debt (excluding current portion and debt instruments)	288,296[3]	36,000[4]	324,296
(J) Debt instruments	-	-	-
(K) Non-current trade and other payables	13,456	-	13,456
(L) Non-current financial indebtedness (I + J + K)	**288,296**	**36,000**	**324,296**
(M) Total financial indebtedness (H + L)	**292,560**	**40,000**	**332,560**

Notes:

1) In the Interim Financial Statements for the nine months' period ended 30 September 2022, cash and cash equivalents are presented as one item. There are no cash equivalents at the time of the Prospectus.
2) The current portion of non-current debt consists of current portions of the interest-bearing debt and lease liabilities.
3) Non-current financial debt consists of non-current portions of interest-bearing debt and lease liabilities.
4) As part of the Paglia Acquisition, the Company raised USD 40 million in debt to partly finance the Vessel (see Section 11.8.1 below). The adjustment above includes the addition this debt.

10 SELECTED HISTORICAL FINANCIAL INFORMATION AND OTHER INFORMATION

10.1 Introduction, basis for preparation

The selected financial information included in this Section has been extracted from the Financial Information as defined in Section 4.2.1 "*Financial information*" above, consisting of the Audited Financial Statements as of and for the six months' period ended 30 June 2022 and the Adjusted Financial Statements for 2021, the Interim Financial Statements as of and for the nine months' period ended 30 September 2022 with comparable figures from the period ended 30 September 2021, and the Former Group Financial Statements for the years ended 31 December 2020 and 2019. All financial information included in this Section should therefore be read in connection with, and is qualified in its entirety by reference to, the Financial Information.

The Interim Financial Statements are incorporated by reference to this Prospectus, see Section 17.4 below. The Audited Financial Statements and the Former Group Financial Statements are included in Appendices C, D and F of the Prospectus.

10.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please refer to note 3 of the Audited Financial Statements and note 2 in the Former Group Financial Statements for 2020.

10.3 Auditors

The Company's independent auditor is BDO AS, with registration number 993 606 650 and registered address Munkedamsveien 45A, N-0250 Oslo, Norway. The partners of BDO AS are members of the Norwegian Institute of Public Accountants (Nw.: *Den norske Revisorforening*). BDO AS has been the Company's independent auditor since the Company's incorporation in August 2021.

The Audited Financial Statements have been audited by BDO AS, and the audit report is included together with the Audited Financial Statements. The Former Group Financial Statements have been audited by Deloitte & Touche LLP, and the audit reports are included together with the Former Group Financial Statements.

With respect to the Interim Financial Statements, BDO AS has reported that they have applied procedures in accordance with ISRE as issued by the International Assurance and Auditing Standards Board. BDO AS' report is incorporated by reference in this Prospectus and states that BDO AS did not audit, and does not express an opinion, on such interim financial information. Accordingly, the degree of reliance on BDO AS' report on such information should be restricted in light of the limited nature of the review procedures applied.

Other than the above, Neither BDO AS nor Deloitte & Touche LLP have audited, reviewed or produced any report on any other information provided in this Prospectus.

10.4 Consolidated income statement

The table below sets out data from the Company's consolidated income statement as derived from the Financial Information. The development in the comprehensive income is described further in Section 11.4 "*Financial review of the Group's results of operations*".

(in USD 1,000)	**Nine months ended 30 September**		**Six months ended 30 June**		**Year ended 31 December**		
	2022 *(unaudited)* *(the Group)*	**2021** *(unaudited)* *(the Group)*	**2022** *(audited)* *(the Group)*	**2021** *(unaudited)* *(the Group)*	**2021** *(audited)* *(the Group)*	**2020** *(audited)* *(the Former Group)*	**2019** *(audited)* *(the Former Group)*
Operating revenue	82,726	55,969	51,274	35,919	78,029	46,058	70,069
Vessel operating expenses	(29,424)	(25,988)	(18,863)	(17,455)	(34,479)	(33,337)	(35,966)
Administrative expenses	(5,658)	(2,995)	(3,555)	(1,840)	(8,162)	(4,638)	(6,988)
Total operating expenses	(35,082)	(28,983)	(22,418)	(19,295)	(42,641)	(37,975)	(42,954)
EBITDA	**47,644**	**26,986**	**28,856**	**16,624**	**35,388**	**8,083**	**27,115**
Depreciation	(20,556)	(18,675)	(13,655)	(12,633)	(24,792)	(27,038)	(28,097)
Impairment	-	-	-	-	-	(17,759)	(15,527)
Operating result (EBIT)	**27,088**	**8,311**	**15,201**	**3,991**	**10,596**	**(36,714)**	**(16,509)**
Financial income	420	319	405	31	339	323	136
Financial expenses	(13,558)	(13,104)	(8,178)	(8,354)	(18,402)	(16,699)	(33,023)
Profit/ (loss) before tax (EBT)	13,950	**(4,474)**	**7,429**	**(4,332)**	**(7,466)**	**(53,090)**	**(49,396)**
Income tax expense	-	(4)	-	(4)	(6)	81	(190)
Profit/ (loss) for the period	**13,950**	**(4,478)**	**7,429**	**(4,336)**	**(7,472)**	**(53,009)**	**(49,586)**
Attributable to:	13,950	(4,478)	7,429	(4,336)	(7,472)	(53,009)	(49,586)
Equity holders of the parent company	13,950	(4,926)	7,429	(4,655)	(7,935)	(49,810)	(46,902)
Non-controlling interests	-	448	-	319	463	(3,199)	(2,684)
Earnings per share (USD):							
Basic earnings per share	0.49		0.26	-		-	-
Diluted earnings per share	0.49		0.26	-		-	-
Profit/ (loss) for the period	13,950	(4,478)	7,429	(4,336)	(7,472)	(53,009)	(49,586)
Cash flow hedge	-	-	-	-	-	-	194
Exchange differences on translation of foreign operations	(23)	(33)	48	(19)	43	(107)	(32)
Total comprehensive income	**13,927**	**(4,511)**	**7,477**	**(4,355)**	(7,429)	**(53,116)**	**(49,424)**
Attributable to:							
Equity holders of the parent company	13,927	(4,959)	7,477	(4,674)	(7,892)	(49,917)	(46,740)
Non-controlling interests	-	448	-	319	463	(3,199)	(2,684)

10.5 Consolidated statement of financial position

The table below sets out data from the Company's consolidated statement of financial position as derived from the Financial Information. The development in the financial position is commented further in Section 11.5 "*Financial review of the Group's financial position*".

(in USD 1,000)	**Nine months ended 30 September**	**Six months ended 30 June**	**Year ended 31 December**		
	2022 *(unaudited)* *(the Group)*	**2022** *(audited)* *(the Group)*	**2021** *(audited)* *(the Group)*	**2020** *(audited)* *(the Former Group)*	**2019** *(audited)* *(the Former Group)*
Assets	**565,711**	**562,162**	**494,683**	**550,827**	**589,573**
Non-current assets	525,691	529,886	474,635	492,679	575,754
Vessels and other tangible assets	426,360	378,385	410,605	425,546	454,638
Right-of-use assets	99,000	151,171	62,871	65,974	119,958
Other non-current assets	331	330	1,159	1,159	1,159
Current assets	40,020	32,276	20,049	58,147	13,818
Fuel and lubrication oil	1,908	1,903	1,738	2,633	2,045
Trade and other receivables	3,205	1,592	1,839	658	526
Cash and cash equivalents	33,126	26,496	15,960	11,571	10,468
Other current assets	1,782	2,285	512	617	780
Assets classified as held for sale	-	-	-	42,669	-
Equity and liabilities	**565,711**	**562,162**	**494,683**	**550,827**	**589,573**
Equity	226,568	222,463	79,239	86,667	139,783

(in USD 1,000)	Nine months ended 30 September	Six months ended 30 June	Year ended 31 December		
	2022 (unaudited) (the Group)	2022 (audited) (the Group)	2021 (audited) (the Group)	2020 (audited) (the Former Group)	2019 (audited) (the Former Group)
Total liabilities	339,143	339,699	415,444	464,159	449,789
Non-current liabilities	288,296	284,784	121,397	399,802	383,094
Interest-bearing debt – non-current	227,496	197,417	63,437	327,970	321,053
Lease liabilities – non-current	60,800	87,367	30,477	46,712	46,106
Redeemable convertible loans	-	-	27,483	24,958	15,671
Derivative financial instruments	-	-	-	163	264
Current liabilities	50,846	54,915	294,048	64,357	66,696
Interest-bearing debt – current	31,699	29,200	263,323	4,413	8,189
Lease liabilities – current	5,691	12,004	16,902	3,165	49,341
Trade and other payables	8,181	9,558	10,596	9,700	6,303
Deferred income	5,275	4,153	3,129	1,238	2,296
Derivative financial instruments	-	-	98	-	-
Provision	-	-	-	567	567
Liabilities directly associated with asset classified as held for sale	-	-	-	45,274	-

10.6 Consolidated statement of cash flow

The table below sets out data from the Company's consolidated statement of cash flow as derived from the Financial Information. The development in cash flow is described further in Section 11.6 "*Financial review of the Group's liquidity and capital resources*".

(in USD 1,000)	Nine months ended 30 September		Six months ended 30 June		Year ended 31 December		
	2022 (unaudited) (the Group)	2021 (unaudited) (the Group)	2022 (audited) (the Group)	2021 (unaudited) (the Group)	2021 (audited) (the Group)	2020 (audited) (the Former Group)	2019 (audited) (the Former Group)
Profit/ (loss) for the period	13,950	(4,474)	7,429	(4,332)	(7,466)	(53,090)	(49,396)
Financial (income)/ expenses	13,205	12,701	7,903	8,187	17,836	16,431	32,890
Depreciation	20,556	18,675	13,655	12,633	24,792	27,038	28,097
Impairment	-	-	-	-	-	17,759	15,527
Share-based expenses	268	-	-	-	-	-	-
Income tax expense	-	(27)	-	(14)	(25)	(57)	(98)
Cash flow from operating activities before changes in working capital	47,979	26,875	28,987	16,474	35,137	8,081	27,020
Changes in working capital:							
Trade and other receivables	(1,365)	(3)	248	11	(1,181)	(132)	17
Fuel and lubrication oil	(170)	783	(166)	838	895	(588)	1,141
Other current assets	(1,249)	(110)	(1,773)	(226)	105	163	326
Other non-current assets	-	-	829	-	-	-	-
Trade and other payables	(2,422)	(2,605)	(1,034)	(3,132)	1,489	(434)	4,232
Deferred income	2,146	693	1,024	631	1,891	(1,058)	945
Cash flow from operating activities	44,919	**25,633**	**28,115**	**14,596**	**38,335**	**6,032**	**33,681**
Investment in vessels and other tangible fixed assets	(69,653)	(5,103)	(67,019)	(3,529)	(7,064)	(4,344)	(1,750)
Investment in right-of-use assets	(2,808)	-	(2,716)	-	-	(46)	-
Proceeds from sale of tangible fixed assets	-	42,669	-	-	42,669	-	-
Investment in affiliated company	(171)	-	-	-	-	-	-
Cash flows from investing activities	**(72,633)**	**37,566**	**(69,735)**	**(3,529)**	**35,605**	**(4,390)**	**(1,750)**
Dividend paid	(3,662)	-	(1,057)	-	-	-	-
Proceeds from issue of shares	108,636	-	108,645	-	-	-	-
Proceeds from issue of debt	271,856	-	232,246	-	-	-	257,151

(in USD 1,000)	Nine months ended 30 September		Six months ended 30 June		Year ended 31 December		
	2022 *(unaudited)* *(the Group)*	2021 *(unaudited)* *(the Group)*	2022 *(audited)* *(the Group)*	2021 *(unaudited)* *(the Group)*	2021 *(audited)* *(the Group)*	2020 *(audited)* *(the Former Group)*	2019 *(audited)* *(the Former Group)*
Proceeds from issue of redeemable convertible loans	-	- -	-	-	-	7,502	15,000
Proceeds from sale-lease-back financing	70,000	-	70,000	-		-	-
Repayment of debt	(340,110)	(2,207)	(332,810)	-	(7,393)	(1,888)	(265,659)
Repayment of lease liability	(50,888)	(47,006)	(18,009)	(695)	(48,140)	(1,861)	(7,222)
Interest paid on interest-bearing debt	(6,214)	(8,250)	(3,895)	(2,541)	(11,157)	(4,185)	(29,191)
Interest paid on lease liabilities	(4,810)	(1,973)	(2,936)	(1,606)	(2,904)	-	-
Other financial items	71	(34)	(27)	(18)	43	(107)	(32)
Cash flows from financing activities	**44,880**	**(59,470)**	**52,156**	**(4,860)**	**(69,551)**	**(539)**	**(29,953)**
Net change in cash and cash equivalents	17,166	3,729	10,536	6,207	4,389	1,103	1,978
Cash and cash equivalents at the beginning of the period	15,960	11,571	15,960	11,571	11,571	10,468	8,490
Cash and cash equivalents at the end of the period	**33,126**	**15,300**	**26,496**	**17,778**	**15,960**	**11,571**	**10,468**

10.7 Consolidated statement of changes in equity

The table below sets out data from the Company's consolidated statement of changes in equity as derived from the Financial Information.

(in USD 1,000)	Share capital	Share premium	Retained earnings/ (acc. Losses)	Other Equity	Non-controlling interests	Total
Equity at 1 January 2022	**230,791**	**-**	**(166,695)**	**964**	**14,178**	**79,239**
Conversion of convertible loans (Former Group shareholders)	27,669	-	-	-	-	27,669
Conversion of redeemable preference shares	1,042	-	-	(1,042)	-	-
Capital increase – private placement (cash)	3,623	62,259	-	-	-	65,882
Capital increase – private placement (contribution in kind)	2,736	47,010	-	-	-	49,746
Capital increase – contribution in kind (Former Group equity holders and non-controlling interests)	(256,204)	61,190	-	209,192	(14,178)	-
Transaction costs	-	-	-	(6,992)	-	(6,992)
Estimated effect of liquidation (Former Group)	-	-	-	491	-	491
Share-based payments	-	-	-	268	-	268
Total comprehensive income for the period	-	-	13,950	(23)	-	13,927
Dividend paid	-	(3,662)	-	-	-	(3,662)
Equity at 30 September 2022	**9,657**	**166,797**	**(152,745)**	**202,859**	**-**	**226,568**
Equity at 1 January 2021	**230,791**	**-**	**(158,760)**	**921**	**13,715**	**86,667**
Total comprehensive income for the period	-	-	(7,935)	43	463	(7,429)
Equity at 31 December 2021	**230,791**	**-**	**(166,695)**	**964**	**14,178**	**79,239**
Equity at 1 January 2020	**230,791**	**-**	**(108,950)**	**1,028**	**16,914**	**139,783**
Total comprehensive income for the period	-	-	(49,810)	(107)	(3,199)	(53,116)
Equity at 31 December 2020	**230,791**	**-**	**(158,760)**	**921**	**13,715**	**86,667**
Equity at 1 January 2019	**230,791**	**-**	**(62,048)**	**866**	**19,598**	**189,207**
Total comprehensive income for the period	-	-	(46,902)	162	(2,684)	(49,424)
Equity at 31 December 2019	**230,791**	**-**	**(108,950)**	**1,028**	**16,914**	**139,783**

10.8 Segment information

10.8.1 Introduction

The Audited Financial Statements are prepared in accordance with IFRS. The Former Group Financial Statements are prepared in accordance with Singapore FRS. The Interim Financial Statements are prepared in accordance with IAS 34.

The information on revenue and other operating income set out below is extracted from the Financial Information. See Section 11.1.2 "*Operating segments and reporting segments*" for further discussion on operational and financial measures the Group believes are useful in assessing its historical and future performance.

10.8.2 Total revenue and other operating income for the periods covered by the Financial Information

The table below sets out total revenue and other operating income divided into "revenues" and "other operating income" as extracted from the Financial Information:

(*in USD 1,000*)	**Nine months ended 30 September**		**Six months ended 30 June**		**Year ended 31 December**		
	2022 ***(unaudited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**2022** ***(audited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**2021** ***(audited)*** ***(the Group)***	**2020** ***(audited)*** ***(the Former Group)***	**2019** ***(audited)*** ***(the Former Group)***
Time charter revenue	83,065	56,390	51,782	36,208	76,710	46,078	70,500
Time charter hire commissions	(1,499)	(747)	(934)	(493)	(1,055)	(684)	(1,049)
Management fees and time charter hire commissions	430	325	326	204	444	436	411
Other income	730	-	100	-	1,930	228	207
Total operating revenue	82,726	55,969	51,274	35,919	78,029	46,058	70,069

10.8.3 Distribution of revenue from customers for the periods covered by the Financial Information

The table below sets out the distribution of revenue from customers as recognized over time or at a point in time, as extracted from the Financial Information:

(*in USD 1,000*)	**Nine months ended 30 September**		**Six months ended 30 June**		**Year ended 31 December**		
	2022 ***(unaudited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**2022** ***(audited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**2021** ***(audited)*** ***(the Group)***	**2020** ***(audited)*** ***(the Former Group)***	**2019** ***(audited)*** ***(the Former Group)***
Customer 1	15.6%	28.4%	16.1%	28.0%	26.7%	28.6%	25.4%
Customer 2	11.7%	11.9%	11.8%	11.4%	11.8%	10.7%	10.6%
Customer 3	10.3%	8.4%	11.7%	8.8%	8.5%	8.7%	8.8%
Top 3 customers	37.6%	48.7%	39.6%	48.2%	47.0%	48.0%	44.8%

10.9 Geographic information

The geographic presence of the Group's global operations depend on the presence of the Group's customers at any given time, and the Group's main customers are currently based in Japan, Korea, China, the US, Israel, the EU and Norway. The table below sets out revenue generated based on the geographic presence of the Group's customers, as extracted from the Financial Information:

(*in USD 1,000*)	**Nine months ended 30 September**		**Six months ended 30 June**		**Year ended 31 December**		
	2022 *(unaudited)* *(the Group)*	**2021** *(unaudited)* *(the Group)*	**2022** *(audited)* *(the Group)*	**2021** *(unaudited)* *(the Group)*	**2021** *(audited)* *(the Group)*	**2020** *(audited)* *(the Former Group)*	**2019** *(audited)* *(the Former Group)*
Asia	55,321	36,696	34,042	22,009	51,129	24,253	36,917
Europe	20,358	16,348	13,258	12,095	21,128	18,146	29,016
Other	7,386	3,346	4,482	2,104	4,453	3,679	4,567
Total time charter revenue	83,065	56,390	51,782	36,208	76,710	46,078	70,500

10.10 Related party transactions

10.10.1 Introduction

The Group enters into transactions with related parties who are not part of the Group during the financial year. The Group also enters into transactions with related parties who are part of the Group, and such transactions are eliminated upon consolidation in the Group's financial statements. All transactions have been entered into in accordance with the arms' length principle, meaning that prices and other main terms and conditions are deemed to be commercial.

Set out in Sections 10.10.2 – 10.10.3 below are summaries of the Group's transactions with related parties who are not members of the Group for the period since the Company's incorporation in August 2021 and up to the date of this Prospectus, as extracted from the Financial Information, please see note 20 in the Audited Financial Statements. In addition, some information has been included in this Prospectus which is not extracted from the Financial Information.

10.10.2 Transactions carried out with related parties in the year ended 31 December 2021

The Group had the following transactions with related parties during the year ended 31 December 2021:

i) GCC Management provides technical and commercial management services to the Company as well as the other entities within the Group against lump sum fees and commission on time charter hire revenue.

ii) The chair of the Board of Directors, Ivar Hansson Myklebust, was engaged as an independent advisor to the Group in conjunction with the preparations for and execution of the Euronext Growth Private Placement, the Reorganization and the subsequent Euronext Growth Admission, through a consultancy agreement between GCC Management and a company controlled by the chair, H&M Hinderaker & Myklebust AS. After the engagement was completed in January 2022, Mr. Myklebust has only served as chair of the Company's Board. As of the date of this Prospectus, the remuneration paid and incurred to H&M Hinderaker & Myklebust AS under the consultancy agreement amounts to approximately NOK 4.5 million.

10.10.3 Transactions carried out with related parties in the nine months' period ended 30 September 2022

The Group had the following transactions with related parties during the nine months' period ended 30 September 2022:

i) GCC Management provides technical and commercial management services to the Company as well as the other entities within the Group against a fee equal to incurred costs plus 5%.

ii) GCC Services provides administrative services to the Company and other companies within the Group against a fee equal to incurred costs plus a margin of 5%.

iii) On 25 January 2022, the Group acquired the two Vessels "*MS Passama*" and "*MS Passero*" (later renamed "*Viking Passama*" and "*Viking Passero*", respectively) from MS "Passama" GmbH & Co. KG and MS "Passero" GmbH & Co. KG, entities controlled by the vice chair of the Board, Nikolaus H. Schües, together with his family. The consideration for the two Vessels was USD 61,628,000 and was settled in part by cash and in part by the issue of Shares as part of the Euronext Growth Private Placement. Please see note 1 of the Interim Financial Statements for further information.

iv) In addition, 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 the two Vessels "*Viking Passama*" and "*Viking Passero*".

v) The Group has entered into a trademark license agreement with P D Gram & Co AS, a company controlled by the Gram family, hereunder Head of Project Harald Mathias Gram, Board Member Nils Kristoffer Gram and the Group's founder Peter D. Gram, for the Group's use of the "Gram" wordmark, name and figurative mark, including Norwegian trademark registration no. 317960 and no. 317961, against an annual consideration of NOK 2 million.

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

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

10.10.4 Transactions carried out with related parties in the period following 30 September 2022 and up to the date of this Prospectus

On 24 November 2022, GCC Shipowning entered into a transfer and investment agreement with F. Laeisz, MS "Paglia" GmbH & Co. KG (as seller) and the Company, in connection with the Paglia Acquisition, see Section 8.8 above. The Paglia Acquisition was completed on 29 November 2022. Furthermore, on 21 November 2022, the Board resolved to amend the employment contract of the Company's CEO against a one-time compensation, see Section 12.4 below. Other than this, the Group did not complete any transactions with related parties in the period following 30 September 2022 and up to the date of this Prospectus.

10.11 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with the Financial Information and related notes included therein. The Financial Information has either been incorporated by reference into this Prospectus (see Section 17.4 below) or is appended to the Prospectus.

This operating and financial review should be read together with Section 4 "General information", Section 8 "Business of the Group", Section 10 "Selected historical financial information and other information", and the Financial Information and related notes. This operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" of this Prospectus, as well as other sections of this Prospectus. An overview of the APMs discussed in this operating and financial review is presented in Section 4.3.5 "Alternative performance measures".

11.1 Overview

11.1.1 Introduction

The Group is the world's third-largest tonnage provider within the PCTCs segment,[10] with 19 owned or leased Vessels, across the distribution, mid-size and panamax segments. The Group serves as a trusted provider of high-quality vessels and logistics solutions ensuring safe, efficient and punctual shipment of vehicles for a network of clients comprising of major global and regional PCTC operators.

11.1.2 Operating segments and reporting segments

As of the date of this Prospectus, and as included in the Financial Information, the Group only has one operating segment. All Vessels exhibit similar technical, trading, economic and financial characteristics, and charter parties entered into with customers are typically for global operation of the Vessels.

11.1.3 Key financial targets

The Group has decided upon a few medium-term financial targets:

- To enter into profitable long-term charter parties with quality counterparts to secure contract backlog and stable future cash flows in the years to come;

- To maintain a healthy liquidity position with appropriate headroom to minimum cash requirements under its financing agreements; and

- To distribute 50% of net profit as dividends to shareholders, taking into consideration the Group's outlook, investment opportunities and financial position.

11.2 Principal factors affecting the Group's financial condition and results of operations

The Group's results of operations have been, and will be, affected by a range of factors. The factors that the Company believes to have material effect on the Group's results of operations, and also those considered likely to

[10] Source: Clarkson Research Services Limited database, category "tonnage providers only" as of 4 November 2022. Subscription required to access data

have material effect on the results of operations going forward, are listed and described below. Please also refer to Section 6 "*Industry and market overview*" for an overview over the main drivers of profitability in the Group's industry.

11.2.1 Demand for seaborne transportation of vehicles and equipment

Demand for seaborne transportation of vehicles and equipment has historically been closely correlated with global GDP, and a decline in global GDP tends to affect the Group's financial results and position. Following the outbreak of COVID-19, the Group experienced a sharp fall in demand in 2020 resulting from lower global car sales. As a consequence of the fall in demand, charter rates dropped significantly, impacting the Group's income and rendering it necessary to temporarily have some Vessels go into lay-up. Consequently, the Group's operating revenue dropped from USD 70.1 million in 2019, to USD 46.1 million in 2020. Although not yet back at 2019 levels, volumes have recovered from the lows since 2020. The recent shortage of microchips has further impacted car sales negatively, as manufacturers have not been able to meet demand. Despite this, demand for seaborne transportation of vehicles and equipment is high, with a higher portion of vehicles sold globally being transported by sea.

11.2.2 PCTC fleet capacity and utilization

The Group is exposed to changes in the global PCTC fleet capacity and utilization. Utilization is typically a result of supply (expressed as capacity) and demand, and generally, a decline in utilization of the global PCTC fleet would affect the Group's financial results negatively, as such declines often lead to rates dropping. Introduction of new capacity in the PCTC segment has been limited over the past years and following the market downturn in 2020 due to the COVID-19 pandemic, a number of vessels were retired and decommissioned. The orderbook for new vessels with delivery over the next two years is limited and it is also expected that new emission regulations will have a negative impact on the global PCTC fleet capacity and utilization. The Group's exposure to an increase in the global PCTC fleet capacity and any potential negative impact on utilization and time charter rates is limited in the near term, as the Group's fleet to a larger extent has been fixed for the coming years. As at the date of the Prospectus, the Group has fixed 90% and 69% of the fleet's available revenue days for 2023 and 2024, respectively.

11.2.3 Financing cost

Financial expenses make up a material part of the Group's costs and the ability to obtain competitive financing has a significant impact on the financial results of the Group. Over the past years, the Group has benefitted from low interest rates. However, interest rates have increased significantly during 2022, and this increase has had an impact on the Group's financial results. Based on debt outstanding as at the date of this Prospectus, an increase of the respective interest rates by 100 basis points will increase the Group's annual financial expenses by approximately USD 3.3 million each year.

11.2.4 Operational performance

Being able to operate the PCTC fleet efficiently and without interruption has a significant impact on the financial results of the Group, as a Vessel will not be earning any revenue during off-hire periods which are a result of operational issues. Having good control over the Vessels' technical condition is important to avoid technical breakdown and consequential off-hire. Historically, the Group has been able to maintain a stable operational performance, with no major incidents that have resulted in prolonged off-hire periods.

11.2.5 Operating expenses

Variations in vessel operating expenses may have a significant impact on the financial results of the Group. Manning expenses make up a material part of the Group's vessel operating expenses of around 50%. Manning expenses is mainly made up of salaries and wages to crew and costs incurred in connection with the crew's travelling to and from the vessel. In general, operating expenses are expected to increase with general inflation and the age of a vessel. Historically, the Group has been able to maintain operating expenses within an acceptable range, compared to industry norms. The Group does not have any direct exposure to the cost of fuel, as the cost of fuel is borne by the charterers of the Vessels.

11.3 Recent development and trends

11.3.1 Recent developments

<u>Macro and auto trends</u>

Asian exports are a key driver for the car carrier market. Chinese auto exports in August 2022 were at a record 308,000 units (compared to Korean exports of 167,000 units and Japanese exports of 294,000 units), an increase of approximately 57.4% compared to the same period in 2021 despite COVID-19 related lockdowns, according to data from General Administration of Customs in China and the Chinese Association of Automobile Manufacturers.[11] This illustrates the continued strong momentum for Chinese vehicle exports and in part explains the continued firm demand for car carriers. Supply disruptions continue to impact auto sales in major markets, but to a lesser extent during the second quarter of 2022 than at the start of the year.

The electrification of the global car fleet continues at a high pace, and approximately 46% of the global sales of electric vehicles year to date in 2022 have been in China.[12] Substantial local investments to increase production capacity of electric vehicles in China are expected to be used to support the worldwide export ambitions of the Chinese electric vehicles manufacturers.

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

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

<u>Fleet development</u>

In recent years, the global car carrier fleet has had negative growth due to the natural phase-out of tonnage nearing the end of commercial life, positively improving the supply-demand balance. At the same time, the shipyard industry has experienced a significant increase in its order books, especially for container and liquefied natural gas (LNG) vessels, leading to yards being fully booked until 2025 and effectively capping the supply of new vessels. Combined with an ageing global PCTC fleet, with approximately 21% of the vessels being older than 20 years,[13] the supply balance remains favourable with high visibility for the next few years.

As of 8 November 2022, the global car carrier fleet included a total of 757 vessels.[14] As of the same date, the global order book included about 91 vessels, equivalent to approximately 16.95% of the capacity of the current global fleet.[15] This is up from 7% at year-end 2021, and is, as of November 2022, just below the historical average of

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[11] Source: Strategy& and PwC Autofacts Analysis, Parts of the PwC network, "Electric Vehicle Sales Review Q3 2022", available upon request
[12] Source: Strategy& and PwC Autofacts Analysis, Parts of the PwC network, "Electric Vehicle Sales Review Q3 2022", available upon request
[13] Source: Fearnresearch, "PCTC Market Update 3Q 2022", subscription required to access data
[14] Source: Clarkson Research Services Limited, "PCTC fleet and Orderbook", 13 October 2022, subscription required to access data
[15] Source: Clarkson Research Services Limited, "PCTC fleet and Orderbook", 13 October 2022, subscription required to access data

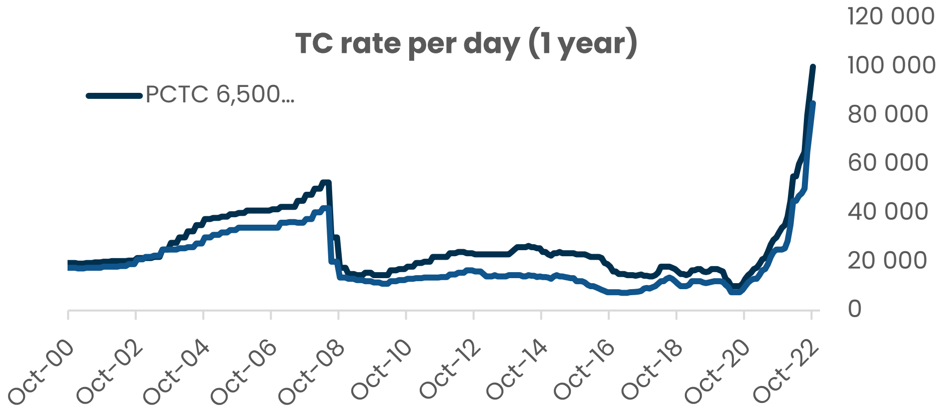
17%.[16] The delivery schedule of the current PCTC order book is considered insufficient to meet the estimated fleet replacement requirements through at least 2025.

The global fleet controlled by PCTC tonnage providers amounted to 180 vessels at end of June 2022, unchanged from year-end 2021.[17] As of the date of this Prospectus, there is only one vessel controlled by tonnage providers open for contract renewal for the remainder of 2022, compared to about 30 open vessels at the end of the first quarter of 2022.[18]

Time charter rates

The combination of increased demand and limited vessels supply has led to a significant increase in time charter rates. Current 12-month time charter equivalent ("**TCE**") contract rates for Panamax vessels are estimated at USD 100,000 per day, up USD 60,000 year to date 2022.[19] 12-month TCE rates for mid-size vessel are assessed at USD 85,000 per day, an increase of USD 56,500 year to date 2022.[20]

The Company estimates the current 12-month TCE rates for distribution vessels at above USD 20,000 per day, also significantly up year to date 2022.



Source: Clarkson Research Services Limited database, category "PCTC 6,500 CEU and 5,000 –EU - 1 Year Time charter Rate" as of 1 November 2022, subscription required to access data.

11.3.2 Significant changes in the financial position or performance of the Group

Other than the Paglia Acquisition, there has been no significant change in the financial position or the financial performance of the Group since 30 September 2022 and up to the date of this Prospectus.

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[16] Source: Clarkson Research Services Limited, "Car Carrier Trade & Transport 2021", subscription required to access data
[17] Source: Clarkson Research Services Limited, "PCTC fleet and Orderbook", 13 October 2022, subscription required to access data
[18] Source: Company Information (consolidated figures from various brokers)
[19] Source: Clarkson Research Services Limited database, category "PCTC 6,500 CEU and 5,000 CEU - 1 Year Time charter Rate" as of 1 November 2022, Subscription required to access data
[20] Source: Clarkson Research Services Limited database, category "PCTC 6,500 CEU and 5,000 CEU - 1 Year Time charter Rate" as of 1 November 2022, Subscription required to access data

11.4 Financial review of the Group's results of operations

11.4.1 Results of operations for the nine months' period ended 30 September 2022 compared to the nine months' period ended 30 September 2021

11.4.1.1 Overview

The table below sets out selected comparative results of operations from the Interim Financial Statements for the nine months' period ended 30 September 2022 and 2021.

(*in USD 1,000*)	**Nine months ended 30 September**		
	2022 ***(unaudited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**Change**
Operating revenue	82,726	55,969	26,757
Vessel operating expenses	(29,424)	(25,988)	(3,436)
Administrative expenses	(5,658)	(2,995)	(2,663)
Operating result (EBIT)	27,088	8,311	18,777
Financial income	420	319	101
Financial expenses	(13,558)	(13,104)	(454)
Profit/ (loss) for the period	13,950	(4,478)	18,428

11.4.1.2 Operating revenue

Operating revenues for the nine months' period ended 30 September 2022 were USD 82.7 million compared to USD 56.0 million for the nine months' period ended 30 September 2021, an increase that was primarily due to increase in time charter rates.

11.4.1.3 Vessel operating expenses and administrative expenses

For the nine months' period ended 30 September 2022, vessel operating expenses amounted to USD 29.4 million and administrative expenses amounted to USD 5.7 million, compared to vessel operating expenses of USD 26.0 million and administrative expenses of USD 3.0 million for the nine months' period ended 30 September 2021. The increase was primarily due to the acquisition of two additional vessels in January 2022, together with recurring and non-recurring costs relating to and following the Reorganization, the Euronext Growth Private Placement and the Euronext Growth Admission.

11.4.1.4 Operating result

The operating result for the nine months' period ended 30 September 2022 was USD 27.1 million compared to USD 8.3 million as of 30 September 2021, an increase that was primarily due to higher time charter rates.

11.4.1.5 Financial income and expenses

Financial income and expenses for the nine months' period ended 30 September 2022 were USD 0.4 million and USD 13.6 million respectively, compared to USD 0.3 million and USD 13.1 million respectively as of 30 September 2021, a net increase that was primarily due to a combination of lower interest-bearing debt and higher interest rates.

11.4.1.6 Profit/ (loss) for the period

Profit for the nine months period ended 30 September 2022 were USD 14.0 million, equal to earnings of USD 0.49 per share, compared to a loss of USD 4.5 million for the nine months period ended 30 September 2021, equal to a loss of USD 0.02 per share. The increase was primarily due to higher time charter rates.

11.4.2 Results of operations for the six months' period ended 30 June 2022 compared to the six months' period ended 30 June 2021

11.4.2.1 Overview

The table below sets out selected comparative results of operations for the six months' periods ended 30 June 2022 and 2021, extracted from the Audited Financial Statements and the unaudited, consolidated financial statements as of and for the six months' period ended 30 June 2022, respectively.

(*in USD 1,000*)	**Six months ended 30 June**		
	2022 ***(audited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**Change**
Operating revenue	51,274	35,919	15,355
Vessel operating expenses	(18,863)	(17,455)	(1,408)
Administrative expenses	(3,555)	(1,840)	(1,715)
Operating result (EBIT)	15,201	3,991	11,210
Financial income	405	31	374
Financial expenses	(8,178)	(8,354)	176
Profit/ (loss) for the period	7,429	(4,336)	11,765

11.4.2.2 Operating revenue

Operating revenue increased from USD 35.9 million during the six months' period ended 30 June 2021, to USD 51.3 million during the six months' period ended 30 June 2022. The increase in revenue can be attributed largely to the recovery of demand for seaborne transport of vehicles and equipment and resulting increase in PCTC time charter rates.

11.4.2.3 Vessel operating expenses and administrative expenses

During the six months' period ended 30 June 2022, vessel operating expenses amounted to USD 18.9 million and administrative expenses were USD 3.6 million. This represents an increase from USD 17.5 million and USD 1.8 million, respectively, for the same period in 2021. The increase in operating expenses is explained mainly by the fact that during the six months' period ended 30 June 2022 the Group operated one additional Vessel as compared to the same period in 2021. The increase in administrative expenses is mainly due to increased professional fees incurred in connection with the listing process and a one-off bonus to management.

11.4.2.4 Operating result

Operating result (EBIT) increased from USD 4.0 million during the six months' period ended 30 June 2021, to USD 15.2 million during the six months' period ended 30 June 2022, and the improvement was largely due to higher revenue, see Section 11.4.2.1 above.

11.4.2.5 Financial income and expenses

Net financial expenses of USD 7.8 million during the six months' period ended 30 June 2022 comprise mainly interest expense on vessel loans and leases and amortization of debt issuance costs, net of financial income. Net financial expenses during the same period in 2021 were USD 8.4 million. Following the issuance of equity and refinancing of the Group's debt in January 2022, debt outstanding was reduced, contributing to lower financial expenses. A general increase in interest rates has on the other hand contributed to increased financing expenses.

11.4.2.6 Profit/ (loss) for the period

Profit for the six months' period ended 30 June 2022 was USD 7.4 million, equal to earnings of USD 0.26 per share. This compares to a loss of USD 4.4 million for the same period in 2021.

11.4.3 Results of operations for the year ended 31 December 2021 compared to the year ended 31 December 2020

11.4.3.1 Overview

The table below sets out selected comparative results of operations from the Audited Financial Statements and the Former Group Financial Statements for the years ended 31 December 2021 and 2020.

(*in USD 1,000*)	**Year ended 31 December**		
	2021 ***(audited)*** ***(the Group)***	**2020** ***(audited)*** ***(the Former Group)***	**Change**
Operating revenue	78,029	46,058	31,971
Vessel operating expenses	(34,479)	(33,337)	(1,142)
Administrative expenses	(8,162)	(4,638)	(3,524)
Operating result (EBIT)	10,596	(36,714)	47,310
Financial income	339	323	16
Financial expenses	(18,402)	(16,699)	(1,703)
Profit/ (loss) for the period	(7,472)	(53,009)	45,537

11.4.3.2 Operating revenue

Operating revenue increased from USD 46.2 million in 2020, to USD 78.0 million in 2021. The increase in revenue can be attributed largely to the recovery of demand for seaborne transport of vehicles and equipment and resulting increase in PCTC time charter rates. During 2020, several of the Vessels were idle following the collapse in global car sales following the outbreak of COVID-19, and revenue was down significantly as a result. During the first quarter of 2021, the Group's fleet of Vessels had been fully reactivated.

11.4.3.3 Vessel operating expenses and administrative expenses

In 2021, vessel operating expenses amounted to USD 34.5 million and administrative expenses were USD 8.2 million. This represents an increase from USD 33.3 million and USD 4.5 million, respectively, in 2020. The Group had disposed of one Vessel in August 2021. During 2020, vessel operating expenses were slightly reduced due to several Vessels being laid up during part of the period and the Group implemented plans to minimise costs during lay-up. Administrative expenses were higher mainly due to costs accrued in relation to the ongoing listing process.

11.4.3.4 Operating result

Operating result (EBIT) improved from negative USD 36.7 million in 2020, compared to USD 10.6 million in 2021.

11.4.3.5 Financial income and expenses

Net financial expenses of USD 18.1 million in 2021 comprise mainly interest expense on vessel loans and leases and amortization of debt issuance costs. Net financial expenses during the same period in 2020 was USD 16.4 million.

11.4.3.6 Profit/ (loss) for the period

The loss for 2021 was USD 7.5 million, compared to a loss of USD 53.0 million for the same period in 2020.

11.4.4 Results of operations for the year ended 31 December 2020 compared to the year ended 31 December 2019

11.4.4.1 Overview

The table below sets out selected comparative results of operations from the Former Group Financial Statements for the years ended 31 December 2020 and 2019.

(*in USD 1,000*)	**Year ended 31 December**		
	2020 ***(audited)*** ***(the Former Group)***	**2019** ***(audited)*** ***(the Former Group)***	**Change**
Operating revenue	46,058	70,069	(24,011)
Vessel operating expenses	(33,337)	(35,966)	2,629
Administrative expenses	(4,638)	(6,988)	2,350
Operating result (EBIT)	(36,714)	(16,509)	(20,205)
Financial income	323	136	187
Financial expenses	(16,699)	(33,023)	16,324
Profit/ (loss) for the period	(53,009)	(49,586)	(3,423)

11.4.4.2 Operating revenue

Operating revenue dropped from USD 70.1 million in 2019, to USD 46.1 million in 2020. The reduction in revenue can be attributed largely to the collapse in global car sales following the outbreak of COVID-19 and corresponding fall in demand for seaborne transport of vehicles and equipment.

11.4.4.3 Vessel operating expenses and administrative expenses

In 2020, vessel operating expenses amounted to USD 33.3 million compared to USD 36.0 million in 2019. The reduction is vessel operating expenses was mainly due to several Vessels being idle due to the outbreak of the COVID-19 pandemic and during idling periods cost saving measures were implemented. Administrative expenses were USD 4.6 million in 2020, against USD 7.0 million in 2019.

11.4.4.4 Operating result

Operating result (EBIT) was negative with USD 36.7 million in 2020, compared to a loss of USD 16.5 million in 2019. Impairment charges of USD 17.8 million had been recognized in 2020, and USD 15.5 million in 2019.

11.4.4.5 Financial income and expenses

Net financial expenses of USD 16.4 million in 2020 comprise mainly interest expense on vessel loans and leases and amortization of debt issuance costs. Net financial expenses during the same period in 2019 was USD 32.9 million. The reduction mainly to the sudden drop in interest rates in response to the COVID-19 pandemic and its impact on the global economy.

11.4.4.6 Profit/ (loss) for the period

The loss for 2020 was USD 53.0 million, compared to a loss of USD 49.6 million in 2019.

11.5 Financial review of the Group's financial position

11.5.1 The Group's financial position as at 30 September 2022 compared to 31 December 2021

The table below sets out selected comparative financial position data on a consolidated basis from the Interim Financial Statements and the Audited Financial Statements as of 30 September 2022 and 31 December 2021.

(*in USD 1,000*)	**30 September 2022** ***(unaudited)*** ***(the Group)***	**31 December 2021** ***(audited)*** ***(the Group)***	**Change**
Total assets	**565,711**	**494,683**	**71,028**
Total equity	226,568	79,239	147,329
Total liabilities	339,143	415,444	(76,301)

As of the nine months' period ended 30 September 2022, the Group's total assets were USD 565.7 million, compared to USD 494.7 million as of the year ended 31 December 2021, an increase that was primarily due to the acquisition of the two additional Vessels "*Viking Passama*" and "*Viking Passero*" in January 2022, together with increase in cash and cash equivalents.

As of the nine months' period ended 30 September 2022, the Group's total equity was USD 226.6 million, compared to USD 79.2 million as of the year ended 31 December 2021, an increase that was primarily due to the issuance of additional equity in connection with the Euronext Growth Private Placement, together with the conversion of the redeemable convertible loans of the shareholders of the Former Group.

As of the nine months' period ended 30 September 2022, the Group's total non-current and current liabilities amounted to USD 339.1million, compared to USD 415.4 million as of the year ended 31 December 2021, an increase that was primarily due to the issuance of equity and refinancing of the Group's debt in January 2022, with the result of overall debt outstanding being reduced.

11.5.2 The Group's financial position as at 30 June 2022 compared to 31 December 2021

The table below sets out selected comparative financial position data on a consolidated basis from the Audited Financial Statements as of 30 June 2022 and 31 December 2021.

(*in USD 1,000*)	**30 June 2022** ***(audited)*** ***(the Group)***	**31 December 2021** ***(audited)*** ***(the Group)***	**Change**
Total assets	**562,162**	**494,683**	**67,479**
Total equity	222,463	79,239	143,224
Total liabilities	339,699	415,444	(75,745)

As of the six months' period ended 30 June 2022, the Group's total assets were USD 562.1 million, compared to USD 494.7 million as of 31 December 2021, an increase that was primarily due to the acquisition of the two additional Vessels "*Viking Passama*" and "*Viking Passero*".

As of the six months' period ended 30 June 2022, the Group's total equity was USD 222.5 million, compared to USD 79.2 million as of 31 December 2021, an increase that was primarily due to the issuance of additional equity in connection with the Euronext Growth Private Placement together with the conversion of the redeemable convertible loans of the shareholders of the Former Group.

As of the six months' period ended 30 June 2022, the Group's total non-current and current liabilities amounted to USD 339.7 million, compared to USD 415.4 million as of 31 December 2021, a decrease that was primarily due to the issuance of equity and refinancing of the Group's debt in January 2022, with the result of overall debt outstanding being reduced.

11.5.3 The Group's financial position as at 31 December 2021 compared to 31 December 2020

The table below sets out selected comparative financial position data on a consolidated basis from the Audited Financial Statements and the Former Group Financial Statements as of 31 December 2021 and 2020.

(*in USD 1,000*)	**31 December**		
	2021 ***(audited)*** ***(the Group)***	**2020** ***(audited)*** ***(the Former Group)***	**Change**
Total assets	**494,683**	**550,827**	**(56,144)**
Total equity	79,239	86,667	(7,428)
Total liabilities	415,444	464,159	(48,715)

As of the year ended 31 December 2021, the Group's total assets were USD 494.7 million, compared to USD 550.8 million as of the year ended 31 December 2020, a decrease that was primarily due to ordinary depreciation of the fleet of Vessels and the disposal of one of the Former Group's vessels, which was classified as "held for sale" as at 31 December 2020.

As of the year ended 31 December 2021, the Group's total equity was USD 79.2 million, compared to USD 86.7 million as of the year ended 31 December 2020, a decrease that was primarily due to a net loss from the Group's and the Former Group's operating activities during 2021.

As of the year ended 31 December 2021, the Group's total non-current and current liabilities amounted to USD 415.4 million, compared to USD 464.2 million as of the year ended 31 December 2020. During 2020 and following the outbreak of the COVID-19 pandemic, the Former Group had entered into agreements with its lenders whereby the Former Group would be given certain relief from its normal repayment schedules, and as such, debt amortization was reduced during the year ended 31 December 2021. The main part of the reduction was due to the disposal of one of the Former Group's vessels, which was classified as "held for sale" as at 31 December 2020.

11.5.4 The Group's financial position as at 31 December 2020 compared to 31 December 2019

The table below sets out selected comparative financial position data on a consolidated basis from the Former Group Financial Statements as of 31 December 2020 and 2019.

(*in USD 1,000*)	**31 December**		
	2020 ***(audited)*** ***(the Former Group)***	**2019** ***(audited)*** ***(the Former Group)***	**Change**
Total assets	**550,827**	**589,573**	(38,746)
Total equity	86,667	139,783	(53,116)
Total liabilities	464,159	449,789	14,370

As of the year ended 31 December 2020, the Former Group's total assets were USD 550.8 million, compared to USD 589.6 million as of the year ended 31 December 2019, a decrease that was primarily due to ordinary depreciation and a USD 17.8 million impairment charge against its fleet of vessels. The Former Group raised USD 7.5 million in cash from the issuance of redeemable convertible loans during 2020.

As of the year ended 31 December 2020, the Former Group's total equity was USD 86.7 million, compared to USD 139.8 million as of the year ended 31 December 2019, a decrease that was primarily due to a net loss from the Former Group's activities during 2021 and impairment charges against the Vessels amounting to USD 17.8 million. The Former Group had unprecedented idling days during 2020 due to the COVID-19 pandemic.

As of the year ended 31 December 2020, the Former Group's total non-current and current liabilities amounted to USD 418.9 million, compared to USD 449.8 million as of the year ended 31 December 2019, a decrease that was primarily due to debt amortization.

11.6 Financial review of the Group's liquidity and capital resources

11.6.1 Sources and use of cash

The Group's principal sources of liquidity are cash flows from operating activities, proceeds from past contributions from shareholders and existing loan facilities. Cash is used as part of the Group's ordinary operating activities, including payment for vessel operating expenses, administrative expenses, capital expenditure, interest and repayment of principal related to the financing of the Group's fleet. Lastly a portion of surplus cash used for distribution to shareholders.

The Company itself is a non-operative holding company, and the main portion of the Group's cash balance is therefore held at subsidiary level to cover the daily liquidity requirements of the operating subsidiaries.

11.6.2 Cash flows

11.6.2.1 Overview

The table below sets out selected data on cash flow relating to the Group and the Former Group, for the nine months' period ended 30 September 2022, the six months' period ended 30 June 2022 and the financial years ended 31 December 2021, 2020 and 2019, extracted from the Financial Information.

(*in USD 1,000*)	**Nine months ended 30 September**		**Six months ended 30 June**		**Year ended 31 December**		
	2022 ***(unaudited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**2022** ***(audited)*** ***(the Group)***	**2021** ***(unaudited)*** ***(the Group)***	**2021** ***(audited)*** ***(the Former Group)***	**2020** ***(audited)*** ***(the Former Group)***	**2019** ***(audited)*** ***(the Former Group)***
Cash flow from operating activities	44,919	**25,633**	**28,115**	**14,596**	**38,335**	**6,032**	**33,681**
Cash flows from investing activities	**(72,633)**	**37,566**	**(69,735)**	**(3,529)**	**35,605**	**(4,390)**	**(1,750)**
Cash flows from financing activities	**44,880**	**(59,470)**	**52,156**	**(4,860)**	**(69,551)**	**(539)**	**(29,953)**

11.6.2.2 Cash flow from operating activities

Net cash flow from operating activities for the nine months' period ended 30 September 2022 was USD 44.9 million compared to USD 25.6 for the nine months' period ended 30 September 2021, an increase that was primarily due to higher time charter rates.

Net cash flow from operating activities for the six months' period ended 30 June 2022 was USD 28.1 million compared to USD 14.6 for the six months' period ended 30 June 2021, an increase that was primarily due to increased revenue resulting from higher time charter rates.

Net cash flow from operating activities for the for the year ended 31 December 2021 was USD 38.4 million compared to USD 6.0 million for the year ended 31 December 2020, an increase that was primarily due to increased revenue resulting from higher time charter rates.

Net cash flow from operating activities for the for the year ended 31 December 2020 was USD 6.0 million compared to USD 33.7 million for the year ended 31 December 2019, a decrease that was primarily due to lower utilization and time charter rates following the outbreak of the COVID-19 pandemic.

11.6.2.3 Cash flow from investing activities

Net cash flow from investment activities for the nine months' period ended 30 September 2022 was negative with USD 72.6 million compared to (positive) USD 37.6 million for the nine months' period ended 30 September 2021, a decrease that was primarily due to the acquisition of two additional PCTC vessels during the nine months' period ended 30 September 2022, and the disposal of one PCTC vessel during the nine months' period ended 30 September 2021.

Net cash flow from investment activities for the six months' period ended 30 June 2022 was negative with USD 69.7 million compared to USD 3.5 for the six months' period ended 30 June 2021, an increase that was primarily due to the acquisition of two additional Vessels "*Viking Passama*" and "*Viking Passero*" in January 2022, and capex related to drydockings carried out during the period.

Net cash flow from investment activities for the for the year ended 31 December 2021 was positive with USD 35.6 million compared to negative USD 7.1 million for the year ended 31 December 2020. The positive cash flow from investing activities was due to the termination of a lease for one of the Vessels and corresponding sale in August 2021. Other expenditure relating to drydocking of Vessels during 2021 was slightly higher as compared with 2020.

Net cash flow from investment activities for the for the year ended 31 December 2020 was negative USD 4.4 million compared to negative USD 1.7 million for the year ended 31 December 2019, primarily due to more drydocking activity during 2020 as compared to 2019.

11.6.2.4 Cash flow from financing activities

Net cash flow from financing activities for the nine months' period ended 30 September 2022 was USD 44.9 million compared to negative USD 59.5 million for the nine months' period ended 30 September 2021, an increase that was primarily due to issuance of additional equity during the nine months' period ended 30 September 2021.

Net cash flow from financing activities for the six months' period ended 30 June 2022 was USD 52.2 million compared to negative USD 4.9 million for the period ended 31 December 2021, primarily due to the issuance of additional equity in connection with the Euronext Growth Private Placement.

Net cash flow from financing activities for the for the year ended 31 December 2021 was negative USD 69.6 million, compared to negative USD 0.4 million for the year ended 31 December 2020, primarily due to the termination of a lease for one of the Vessels during 2021.

Net cash flow from financing activities for the for the year ended 31 December 2020 was negative USD 0.4 million compared to negative USD 29.9 million for the year ended 31 December 2019. During 2020, and following the outbreak of the COVID-19 pandemic the Group had entered into agreements with its lenders whereby the Group would be given certain relief from its normal repayment schedules and as such debt amortization was reduced during 2020.

11.7 Investments

11.7.1 Principal historical investments

All investment activity of the Group in the period covered by this Prospectus consists of investments to relating to the Group's fleet of Vessels, including acquisition of PCTC vessels, drydocking in connection with special periodic surveys as required by class, installation of ballast water treatment systems and other technical upgrades. The table below sets out an overview of the material investments made by the Group as of and for the years ended 31 December 2021, 2020 and 2019, the six months' period ended 30 June 2022, and the nine months' period ended 30 September 2022:

(*in USD 1,000*)	**Six months ended 30 June**	**Nine months ended 30 September**	**Year ended 31 December**		
	2022	**2022**	**2021**	**2020**	**2019**
Vessels and other tangible assets:					
Additions – Acquisition of vessels[1)]	61,628	123,110	-	-	-
Additions – Drydocking[2)]	3,962	5,094	3,990	4,084	1,197
Additions – Technical upgrade[3)]	1,449	3,049	2,224	257	363
Right-of-use assets:					
Additions – Drydocking[2)]	906	988	803	-	-
Additions – Technical upgrade[3)]	14	22	32	46	46

1) Acquisition of vessels include the Vessels "*Viking Passama*" and "*Viking Passero*" acquired in January 2022 in connection with the F. Laeisz Acquisition (see Section 8.2)
2) Drydocking comprise of investments in connection with regular special periodic surveys of the Vessels as required by class (typically every five years). During the six months' period ended 30 June 2022 and nine months' period ended 30 September 2022, the Group completed the drydocking of four Vessels. During 2021, 2020 and 2019, the Group completed five, four and one drydocking, respectively.
3) Technical upgrades comprise mainly of installation of ballast water treatment systems and various other minor upgrades of the Vessels that are eligible for capitalization

The information provided in the table above is extracted from the Financial Information.

In connection with the Reorganization, the Company completed the F. Laeisz vessel Acquisition by acquiring two vessels from F. Laeisz. The purchase price for the vessels was USD 30,814,000 and USD 30,814,000, respectively. Upon completion of the F. Laeisz vessel Acquisition, the Vessels were reflagged from the German ship register and the Madeira ship register respectively, to the Marshall Islands ship register.

Further, on 29 November 2022, the Company completed the Paglia Acquisition by acquiring the vessel "*Paglia*" from F. Laeisz. The purchase price for the vessel was USD 49,000,000. Upon completion of the Paglia Acquisition, the Vessel was reflagged from the Portuguese ship register to the Marshall Islands ship register.

11.7.2 Principal investments in progress and planned principal investments

As of the date of this Prospectus, there are no material investments of the Group that are in progress or for which firm commitments have been made.

11.8 Financing and other contractual obligations

As of the date of this Prospectus, the Group has the following material financing arrangements in place. As of the date of this Prospectus, there are no off-balance sheet arrangements. All obligations under the financing arrangements are stated in USD, which is the currency of the Group's holdings of materially all cash and cash equivalents. All financing agreements are entered into on a floating interest basis. The Group has not entered into any agreements to hedge interest rate risk.

11.8.1 The USD 302 million Credit Facility

The Company's 100% owned subsidiary, GCC Shipowning, is the borrower under a USD 302 million senior secured credit facility from Danske Bank A/S, Hamburg Commercial Bank AG, Skandinaviska Enskilda Banken AB (publ), SpareBank 1 SR-Bank ASA, Danish Ship Finance A/S and Swedbank AB (publ) (the "**USD 302 million Credit Facility**"). The Company is a guarantor under the USD 302 million Credit Facility.

In connection with the completion of the Paglia Acquisition on 29 November 2022, GCC Shipowning utilized an uncommitted accordion option under the USD 302 million Credit Facility to finance the vessel, increasing the facility with a drawdown of an aggregate of USD 40 million, consisting of two accordion facilities of USD 20 million each. The amendment agreement for the accordion facilities was signed 23 November 2022.

The initial facilities carry an interest of LIBOR/SOFR + 2.95%, while the two accordion facilities financing the Paglia Acquisition carry an interest of SOFR + 2.4%. The USD 302 million Credit Facility matures on 2 January 2027, with scheduled repayments of USD 7,966,667 per quarter. The facility includes customary covenants, including *inter alia* a dividend restriction of no more than 50% net profit.

As of the date of this Prospectus, a principal amount of USD 283.2 million is outstanding under the USD 302 million Credit Facility.

As of 30 September 2022, the Group is in compliance with all financial covenants and value maintenance tests, which include:

i) value adjusted equity of at least USD 50 million;

ii) value adjusted equity ratio of minimum 35%;

iii) minimum cash of no less than the greater of 5% of total interest-bearing debt outstanding and USD 10 million; and

iv) fair market value of Vessels of at least 130% of interest-bearing debt outstanding.

11.8.2 The Leasing Debt

Prior to the Euronext Growth Admission, the Company secured a USD 70 million sale-and-lease-back financing arrangement with CSSC (Hong Kong) Shipping Company Limited (the "**Leasing Debt**").

The Leasing Debt carries an interest of LIBOR + 4.00% and has a term of 8 years. The lease terms include repurchase options during the course of the lease and has a repurchase obligation at the end of the term. The lease includes customary financial covenants regarding *inter alia* minimum cash, equity and value on the Vessels. As of the date of this Prospectus, a principal amount of USD 65.4 million is outstanding under the Leasing Debt.

As of 30 September 2022, the Group is in compliance with all financial covenants and value maintenance tests, which include:

i) value adjusted equity of at least USD 50 million;

ii) value adjusted equity ratio of minimum 35%;

iii) minimum cash of no less than the greater of 5% of total interest-bearing debt outstanding and USD 10 million; and

iv) fair market value of Vessels of at least 125% of interest-bearing debt outstanding.

11.8.3 The USD 15 million Credit Facility

In April 2022, the Group completed a refinancing of a lease for the Vessel "*Viking Drive*", whereby the Group exercised a purchase option. To finance the Vessel, the Group entered into a USD 15 million senior secured credit facility agreement (the "**USD 15 million Credit Facility**"), which consisted of two separate tranches, a first consisting of up to USD 10,900,000, and a second, consisting of up to USD 4,100,000. The second tranche was utilized to finance the Vessel "*Viking Princess*", which was already owned by the Group. Collateral under the USD 15 million Credit Facility comprises both the Vessels "*Viking Drive*" and "*Viking Princess*". As of the date of this Prospectus, a principal amount of USD 12.5 million is outstanding under the USD 15 million Credit Facility.

As of 30 September 2022, the Group is in compliance with all financial covenants and value maintenance tests, which include:

i) value adjusted equity of at least USD 50 million;

ii) value adjusted equity ratio of minimum 35%;

iii) minimum cash of no less than the greater of 5% of total interest-bearing debt outstanding and USD 10 million; and

iv) fair market value of at least 130% of interest-bearing debt outstanding.

11.8.4 Debt repayment, borrowing requirements and leverage ratio

The table below sets forth the Group's contractual maturities of interest-bearing debt on a non-discounted basis for the Group's facilities as of 30 September 2022:

(*in USD 1,000*)	**Due within 12 months**	**12-24 months**	**24-36 months**	**36-48 months**	**Due after 30 Sep 2026**
Interest-bearing debt	31,699	30,924	30,107	28,487	142,433

The table below sets forth the Group's contractual maturities of lease liabilities on a non-discounted basis for the Group's leases as of 30 September 2022:

(*in USD 1,000*)	**Due within 12 months**	**12-24 months**	**24-36 months**	**36-48 months**	**Due after 30 Sep 2026**
Lease liabilities	5,691	6,412	6,683	6,966	40,738

The table below sets out the Group's leverage ratio and its net interest bearing debt as of 30 September 2022:

(*In USD 1,000*)	**As of 30 September 2022**
Total assets	565,711
Interest bearing debt and lease liabilities	325,686
Leverage ratio	57.6%
Cash and cash equivalents	33,126
Net debt	292,560

12 THE BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The general meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at general meetings and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested with its Board of Directors, and each Board Member and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts, and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has established two sub-committees: an audit committee and a remuneration committee. These committees have been established in accordance with the Corporate Governance Code (as defined below) and comply with applicable laws and regulations for such committees. See Sections 12.7 below for more information on the Company's committees.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "**CEO**"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

12.2 The Board of Directors

12.2.1 Introduction

The Articles of Association provide that the Board of Directors shall comprise between three and seven board members, as elected by the Company's shareholders. The current Board of Directors consists of seven Board Members and one alternate Board Member, see Section 12.2.2 below.

Pursuant to the Norwegian Code of Practice for Corporate Governance, last revised on 14 October 2021 (the "**Corporate Governance Code**"), the composition of the board of directors of a Norwegian public limited liability company listed on a regulated market shall comply with the following criteria: (i) the majority of the shareholder-elected members of the board of directors should be independent of the company's executive management and material business contacts, (ii) at least two of the shareholder-elected board members should be independent of the company's main shareholders (being shareholders holding more than 10% of the shares of the company), and (iii) no member of the company's management should be on the board of directors. The composition of the Board of Directors is in compliance with the recommendations under the Corporate Governance Code, see Section 12.9 below.

12.2.2 Composition of the Board of Directors

The names and positions, current term of office and shareholdings of the Board Members as of the date of this Prospectus are set out in the table below. The Company's registered business address serves as business address for the Board Members as regards their directorship in the Company.

Name	Position	Served since	Term expires	Shares[1]
Ivar Hansson Myklebust[2]	Chair	2021	2024	33,000
Nikolaus H. Schües[3]	Vice chair	2022	2024	7,884,229
Alasdair Locke[4]	Board Member	2021	2023	1,938,782
Christine Rødsæther	Board Member	2021	2023	18,745
Nils Kristoffer Gram	Board Member	2021	2024	2,800
Dr. Gaby Bornheim	Board Member	2022	2023	-
Clivia Breuel[5]	Board Member	2022	2024	2,486,706
Nicolaus Bunnemann[5]	Alternate Board Member	2022	2024	2,486,706

1) All Shares held by the Board Members are subject to lock-up restrictions as further described in Section 13.8.4 below.
2) The Shares are held through H&M Hinderaker & Myklebust AS, a company controlled by Mr. Myklebust.
3) The Shares are held through F. Laeisz (controlling 26.92% of the Company's share capital), a company of which Mr. Schües is the beneficial owner.
4) The Shares are held through Glenrinnes (controlling 6.75% of the Company's share capital), a company controlled by Mr. Locke.
5) The Shares are held through AL Maritime (controlling 8.66% of the Company's share capital), a close associate of Mrs. Breuel and Mr. Bunnemann.

No Board Members own any options or other securities exchangeable for Shares.

12.2.3 Brief biographies of the Board of Directors

Set out below are brief biographies of the Board Members. The biographies include each Board Member's relevant management expertise and experience, an indication of any significant principal activities performed by such member outside the Company and names of companies and partnerships where the member is or has been a member of the administrative management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Ivar Hansson Myklebust, chair of the Board

Ivar Myklebust is an experienced maritime executive who currently works as an independent consultant in Hinderaker & Myklebust AS. He is the CEO and a board member in OMP Capital AS and a board member in OMP Management AS, and has previously served as both CEO and CFO of Höegh Autoliners ASA, and CFO of D/S Norden. Mr. Myklebust has previously held board positions as chair of Havyard Ship Technology AS; board member of the Norwegian Shipowner's Mutual War Risk Insurance Association (DNK), and board member of Euro Marine Logistics NV. His background also includes 12 years of credit, investment banking and financial restructuring experience from Nordea as well as experience from Anders Wilhelmsen & Co 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. Mr. Myklebust is a Norwegian citizen residing in Norway.

Current directorships and management positions:	*OMP Capital AS (CEO and board member), OMP Management AS (board member)*
Previous directorships and management positions last five years:	*Höegh Autoliners ASA (CEO), Havyard Ship Technology AS (chair), Norwegian Shipowner's Mutual War Risk Insurance Association (DNK) (board member), Euro Marine Logistics NV (board member)*

Nikolaus H. Schües, vice chair of the Board

Mr. Schües is the principal and CEO of F. Laeisz, the Company's largest shareholder, and has been nominated by F. Laeisz to the Board of Directors. Mr. Schües has long experience as Designated President of BIMCO, Vice Chair of UK P&I Club and Member of the Presidential Committee of German Shipowners Association. Mr. Schües is a German citizen residing in Germany.

Current directorships and management positions:	*F. Laeisz (CEO), BIMCO (president designate)*
Previous directorships and management positions last five years:	*UK P&I Club (vice chair)*

Alasdair Locke, Board Member

Alasdair Locke's early career started in investment banking at Citigroup in 1974, where he specialized in shipping and oil. He is the former executive chair of Abbot Group plc, an oil services company which he founded in 1992. Mr. Locke sold his remaining interest in the group and stepped down altogether in 2009. He currently functions as the chair of the board of directors of First Property Group Plc, chair of the board of directors of Motor Fuel Group and Non-Executive Chair of Well-Safe Solutions Ltd. Mr. Locke holds an M.A (Hons) in History and Economics from Wadham College Oxford. Mr. Locke is a British citizen residing in the United Kingdom.

Current directorships and management positions:	*Glenrinnes (director), Motor Fuel Group Ltd. (director), Well-Safe Solutions Ltd (director), First Property Group Plc (chair)*
Previous directorships and management positions last five years:	*Hardy Oil+Gas Plc (chair)*

Christine Rødsæther, Board Member

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 banking and finance, contract law as well as shipping and offshore. Mrs. Rødsæther has previous experience from Wikborg, Rein & Co. 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. Mrs. Rødsæther is a Norwegian citizen residing in Norway.

Current directorships and management positions:	*Odfjell SE (board member), Tufton Oceanic Assets Limited (board member)*
Previous directorships and management positions last five years:	*Norwegian Guarantee Institute for Export (GIEK) (board member), Songa Bulk ASA (board member), Norwegian Air Norway AS (board member)*

Nils Kristoffer Gram, Board Member

Nils Kristoffer Gram is currently Partner and Investment Director in Vanir Green Industries, an energy transition focused investment company. Mr. Gram also acts on the boards of Blastr Green Steel AS, Freija AS and Critical Metals Ltd, and has previously acted as board member of Element ASA. Mr. Gram has a long and varied experience from equity- and debt capital markets and investments, and he has previously worked as MD of Gram Shipping AS, CEO of ProCorp AS, a boutique investment bank, and he was Partner – Corporate Finance at Pareto Securities AS. Mr. Gram holds an MA in Management from the University of St Andrews. Mr. Gram is a Norwegian citizen residing in Norway.

Current directorships and management positions:	*Vanir Green Industries (Partner and Investment Director), Critical Metals Ltd (board member), Blastr Green Steel AS (board member), Freija AS (board member)*
Previous directorships and management positions last five years:	*ProCorp AS (CEO), Element ASA (board member)*

Dr. Gaby Bornheim, Board Member

Dr. Gaby Bornheim is currently the Managing Director of Peter Döhle Schiffahrts KG. She has previously served as inhouse counsel for Deutsche Shell AG and MobilOil AG. Dr. Bornheim also currently serves as President of the German Shipowners Association. Dr. Bornheim is a German citizen residing in Germany.

Current directorships and management positions:	*Peter Döhle Schiffahrts KG (managing director), Splosna Plovba d.o.o. (chair), German Shipowners' Association (President)*
Previous directorships and management positions last five years:	-

Clivia Breuel, Board Member

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 the Company's shareholder, AL Maritime. She has long experience in both shipping and banking and holds a Master degree in Business Studies from the EBS Business School Oestrich-Winkel. She is Chair of the Board of the PBS Foundation. She was nominated to the Board by AL Maritime. Mrs. Breuel is a German citizen residing in Germany.

Current directorships and management positions:	*PBS Foundation (chair)*
Previous directorships and management positions last five years:	-

Nicolaus Bunnemann, alternate Board Member

Nicolaus 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 Masters' Degree in Shipping, Trade and Finance. Mr. Bunnemann is a German citizen residing in Germany.

Current directorships and management positions:	*AL Capital Holding GmbH & Co. KG (CEO), Atlantic Lloyd GmbH & Co. KG (CEO), German Shipowners' Defence Association (board member)*
Previous directorships and management positions last five years:	-

12.3 Management

12.3.1 Overview

The Group's management currently consists of four individuals. The names of the members of Management and their respective positions are presented in the table below. The Company's registered business address serves as business address for all members of Management in relation to their positions with the Company.

Name	Position	Position held since	Shares[1]	Options[2]
Georg A. Whist[3)]	CEO	2018	238,009	400,000
Gunnar Koløen	CFO	2009	18,745	120,000
Børre Mathisen	COO	2013	30,035	160,000
Harald Mathias Gram[4)]	Head of Projects	2011	1,790,496	120,000

[1)] All Shares held by the Management are subject to lock-up restrictions as further described in Section 13.8.4 below.
[2)] See Section 12.6.2 for a description of the Option Program (as defined therein).
[3)] The Shares are held through Currus Navi AS, a company of which Mr. Whist holds 100% of the shares.
[4)] Aggregated shareholding of HM Gram Enterprises Limited, HM Gram Investments III Limited and HMG AS, companies in which Mr. Gram holds 100% of the shares.

12.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management. The biographies include the member of Management's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Georg Alexander Whist, CEO

Georg Alexander Whist has served as CEO of GCC Management since 2018 and as the Company's CEO since its incorporation in August 2021. He has previously held positions at 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. Mr. Whist holds a bachelor of finance and management from the University of Utah – David Eccles School of Business. Mr. Whist is a Norwegian citizen residing in Norway.

Current directorships and management positions:	*Fawhi AS (board member), Currus Navi AS (chair)*
Previous directorships and management positions last five years:	*Hafnia Tankers APS (CFO)*

Gunnar Stautland Koløen, CFO

Gunnar Stautland Koløen has served as CFO and General Manager of GCC Singapore since January 2021 and as CFO of the Company since its incorporation. He started his professional career with KPMG and qualified as a State Authorized Public Accountant from Norway and has previously held positions as CFO and MD of Dolphin Drilling (Singapore). Mr. Koløen holds a MSc in Finance from the University of Strathclyde and a BSc in business studies from the University of Plymouth. Mr. Koløen is a Norwegian citizen residing in Singapore.

Current directorships and management positions:	-
Previous directorships and management positions last five years:	*Dolphin Drilling Pte. Ltd. (managing director)*

Børre Iversen Mathisen, COO

Børre Mathisen joined GCC Management in 2013 as general manager and has held the position as COO in GCC Singapore since January 2018 and as COO of the Company since its incorporation. He has previously been employed in Höegh Autoliners ASA from 1996, where he held various positions, including two periods in Japan in charge of Commercial Operations in East Asia. Mr. Mathisen holds Master of Business and Economics from the Norwegian School of Management (BI), and is a Norwegian citizen residing in Norway.

Current directorships and management positions:	-
Previous directorships and management positions last five years:	-

Harald Mathias Gram, Head of Projects

Harald Mathias Gram jointed GCC Management in 2011 and was appointed as Head of Projects in the Company in connection with the incorporation in 2021. He has previously served as senior vice president in the corporate finance department of Pareto Securities in Singapore and Tufton Oceanic (Asset Backed Investments) in London. Mr. Gram holds an MA in Management from the University of St. Andrews and an international MBA from the Instituto de Empresa, Madrid, Spain. Mr. Gram is a Norwegian citizen residing in Norway.

Current directorships and management positions:	*P.D. Gram & Co (General Manager), HM Gram Enterprises Limited (director), HM Gram Investments III (director), HMG AS (director)*
Previous directorships and management positions last five years:	-

12.4 Remuneration and benefits upon termination

For the period from the incorporation of the Company in August 2021 and up to the annual general meeting in May 2022, the Board Members received a total remuneration of NOK 1,286,871. The table below sets out the remuneration to each Board Member as approved by the annual general meeting on 12 May 2022:

Name of Board Member	Remuneration
Ivar Hansson Myklebust, chair	NOK 338,541
Nikolaus H. Schües, vice chair	NOK 131,250
Alasdair Locke	NOK 200,416
Nils Kristoffer Gram	NOK 200,416

Christine Rødsæther	NOK 200,416
Dr. Gaby Bornheim	NOK 107,916
Clivia Breuel	NOK 107,916

The remuneration of the Board Members is approved on an annual basis by the Company's annual general meeting. No remuneration was paid to the Board Members for the year ended 31 December 2021.

For the year ended 31 December 2021, the remuneration to the members of the Management amounted to approximately USD 1,754,000. The remuneration structure comprises primary salaries, bonuses, pension, and other expensed benefits. The Company does not disclose the remuneration of the Management on an individual basis.

On 21 November 2022, the Board of Directors resolved to amend the employment contract of the Company's CEO, to replace the previous employment contract entered into between the CEO and GCC Management in 2018 (prior to the Reorganization). As compensation for forsaking the right to receive future bonus payments under the previous employment contract, the CEO will receive a one-time payment of NOK 20 million, subject to certain conditions, including a claw-back mechanism. The compensation is expected to be paid to the CEO during the fourth quarter of 2022, and will be accounted for in the Company's financial statements for the period ending 31 December 2022.

The Company's CEO is entitled to severance pay equal to 18 months' base salary. The severance payment is also considered full compensation for invoking the non-compete obligation in the CEO's employment contract. Other than this, and as of the date of this Prospectus, no member of Management or the Board of Directors is entitled to any benefits upon termination of their employment or position.

12.5 Employees

The table below shows the development in the numbers of full-time employees and hired personnel of the Group since 31 December 2021 and up to the date of this Prospectus. For further details about the Group's employees, see note 8 of the Audited Financial Statements.

	As of 31 December 2021	As of the date of this Prospectus
Total for the Group:	14	16
By legal entity:		
The Company		
Gram Car Carriers Management AS	10	12
Gram Car Carriers Shipowning AS		
Gram Car Carriers Leasing 1 AS		
Gram Car Carriers Leasing 2 AS[1]		
Gram Car Carriers Leasing 3 AS		
Gram Car Carriers Services Pte. Ltd.		4
GCC Singapore	4	-
By main category of activity:		
Management	4	4
Functional employees	5	7
Administrative	5	5
By geographic location:		
Oslo, Norway	10	12

Singapore	4	4

1) Gram Car Carriers Leasing 2 AS is expected to be completed in the first quarter of 2023, see Section 8.8. above.

12.6 Incentive programs

12.6.1 Long term incentive program

The Board has implemented a long term incentive program (the "**LTIP**") for members of the Management and other employees of the Group. The purpose of the LTIP 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 of the Group, including members of the Management, have committed to participate in the LTIP, all of which have committed to lock-up a number of their Shares for the duration of the LTIP. The LTIP lasts for a period of three years.

Pursuant to the LTIP, the participants will on or around 1 June 2025 receive three Shares per committed Share, each contingent on the following criteria:

i) In order to participate in the LTIP, 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.

ii) 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, meaning that a development of 8% gives no Shares, a development of 9% gives 0.25 Shares, a development of 10% gives 0.5 Shares, a development of 11% gives 0.75 Shares, and a development of 12% gives 1 Share.

iii) The third matching Share is linked to the Company'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. This means that a rating of C- gives no Shares, a rating of C gives 0.25 Shares, a rating of C+ gives 0.5 Shares, a rating of B- gives 0.75 Shares, and a rating of B gives 1 Share.

As of the date of this Prospectus, the participating employees have committed a total of 94,634 Shares in connection with the LTIP. Based on the total number of committed Shares, up to 283,902 new Shares in aggregate may be issued as part of the LTIP.

For the members of the Management participating in the LTIP, the permitted number of committed Shares is subject to a cap equal to the NOK amount corresponding to 12 months of their respective annual salary. In addition, for the financial year 2022, the CEO was permitted to commit an additional amount of Shares equal to the NOK amount corresponding to six months' of his annual salary, as a one-time consideration for his performance in connection with the Euronext Growth Private Placement and Euronext Growth Admission.

12.6.2 Long-term share option program

The Company has implemented a long-term share option program for members of the Management (the "**Option Program**"). The Option Program has a three years' vesting structure, with 1/3 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 on or around 12 May 2025, two years after the last vesting date.

As of the date of this Prospectus, a total of 800,000 share options (equivalent to approximately 2.78% of the Company's share capital) have been distributed to members of the Management under the Option Program. Each option, when exercised, carries the right to acquire one Share in the Company, giving the members of the Management a right to acquire up to 800,000 Shares in aggregate.

12.7 Pensions and retirement benefits

The Company was incorporated on 3 August 2021 and has currently no pension or retirement benefits for its Board Members.

The Group is obliged to have occupational pension pursuant of the Norwegian Mandatory Occupational Pension Act of 21 December 2005 no. 124 (Nw.: *Lov om obligatorisk tjenestepensjon*) and has established a plan with a defined contribution pension for employees in Norway, which complies with the requirements of the Mandatory Occupational Pension Act. However, due to the employees' age composition, obligations under the Mandatory Occupational Pension Act have not been actuated and hence no obligations have been made to this effect. The members of the Management are included in Group's ordinary defined contribution pension schemes. For more information regarding the Group's pension and retirement benefits, see note 8 of the Audited Financial Statements.

No amounts have been set aside or accrued by the Group to provide for pension, retirement or similar benefits, other than what is required by applicable law in the jurisdictions in which the Group has employees.

12.8 Committees

12.8.1 Nomination committee

The Articles of Association provide for a nomination committee, which is currently composed of three members. Two of the three members of the committee are appointed by the general meeting, and one member is appointed by F. Laeisz in accordance with the Articles of Association (see Section 13.8.6 below). The nomination committee comprises Erik A Lind as chair, and Hannes Thiede and Kristian Falnes as members. The members of the nomination committee are appointed until the annual general meeting in 2024.

The nomination committee is responsible for presenting proposals to the general meeting regarding (i) candidates to be elected as members to the Board of Directors, (ii) candidates to be elected as members to the nomination committee, and (iii) remuneration of the Board Members, the Board's sub-committees and the nomination committee. The general meeting may in its discretion resolve whether to approve, reject or amend (in whole or in part) any proposal made by the election committee.

12.8.2 Audit committee

The Board of Directors has established an audit committee among the Board Members, currently comprising Nils Kristoffer Gram as chair, and Nikolaus H. Schües and Ivar Hansson Myklebust as members. The composition of the Company's audit committee is compliant with the requirements for qualifications and competence in accounting and auditing set out in the Norwegian Public Companies Act and the recommendations pursuant to the Corporate Governance Code.

The audit committee shall assist the Board of Directors in the preparation of decisions on issues regarding risk assessment, internal control, financial reporting and auditing. The duties of the audit committee are to:

a) monitor the Company's financial reporting and provide recommendations and proposals to ensure the reliability of the reporting,

b) monitor the effectiveness of the Company's internal control and risk management insofar as the financial reporting is concerned,

c) prepare any relevant recommendation whether to re-assess the need for internal auditing,

d) keep itself informed about the auditing of the annual report and the consolidated annual report,

e) review and monitor the impartiality and independence of the auditor/auditing firm, with specific focus on other services besides auditing services being provided by the auditor/auditing firm, and

f) assist in the preparation for the annual general meeting's decision in relation to election of auditors, including through contacts with the nomination committee.

The audit committee shall report and make recommendations to the Board of Directors, but the Board of Directors will retain responsibility for implementing such recommendations.

12.8.3 Remuneration committee

The Board of Directors has established a remuneration committee among the Board Members, currently comprising Christine Rødsæther as chair, and Alasdair Locke, Dr. Gaby Bornheim and Clivia Breuel as members. The primary purpose of the remuneration committee is to assist 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 prepare matters relating to other material employment issues in respect of the executive personnel.

The remuneration committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.9 Corporate governance

The Company has adopted policies and rules of procedure relating to the Group's corporate governance that in all material respects are in compliance with the Corporate Governance Code. As of the date of this Prospectus, the Company deviates from the following recommendations in the Corporate Governance Code:

- Pursuant to the Articles of Association, one member of the Company's nomination committee shall be elected by shareholders holding more than 20% of the Shares (see Section 13.8.6 below). The deviation from the Corporate Governance Code, recommending that the members of the nomination committee should be elected by the Company's general meeting, was considered necessary by the Board of Directors, as it was a condition for completion of the F. Laeisz vessel Acquisition. The transaction as whole was considered to be in the common interest of the Company and its shareholders, as the Group expanded its fleet with two more Vessels, thereby providing enhanced cash flow to the Group.

- The Company's general meetings are chaired by the chair of the Board of Directors or a person appointed by him, as this simplifies the preparations for the general meetings. In the Company's experience, its procedures for the chairing and execution of general meetings have proven satisfactory.

- The Board of Directors has not established guiding principles on how to act in the event of a takeover bid, as such situations are normally characterized by concrete and one-off situations which makes a guideline challenging to prepare. In the event a takeover were to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code, and whether the specific circumstances will entail that the recommendations in the Corporate Governance Code can be complied with or not.

Neither the Board of Directors nor the general meeting has adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

12.10 Conflicts of interests etc.

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management have, or had, as applicable:

a) any convictions in relation to indictable offences or convictions in relation to fraudulent offences;

b) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

c) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his/her capacity as a founder, director or executive manager of a company or partner of a limited partnership.

As set out in Sections 12.2.2 and 12.3.1 above, all members of the Board of Directors and of the Management have financial interests in the Company through direct or indirect shareholdings, with the exception of Board Member Dr. Gaby Bornheim. In addition, the members of the Management hold share options under the Option Program, see Section 12.6.2 above. The vice chair of the Board of Directors, Nikolaus H. Schües, represents the Company's largest shareholder, F. Laeisz. Other than this, all Board Members are independent of shareholders holding 10% or more of the Shares and the Group's material business contacts. Except for Board Member Nils Kristoffer Gram, all Board Members are independent of the Management. Apart from (i) Nils Kristoffer Gram (Board Member) and Harald Mathias Gram (Head of Projects), who are siblings and sons of Peter D. Gram (the Group's founder) and (ii) Board Member Clivia Breuel and alternate Board Member Nicolaus Bunnemann who are siblings, there are no family ties between any of the Board Members or members of the Management.

Furthermore, several of the members of the Board and Management are board members or managers of other companies and hold shares of such other companies. In the event that any such company enters into business relationships with the Company, the members of the Board of Directors and Management may have a conflict of interest. The Company will have procedures in place in order to handle any such potential conflict of interest. In particular, the Company has a clear policy for handling potential conflict of interest arising as a consequence of Mr. Schües' position in F. Laeisz.

Except as specified above, no member of the Board of Directors or the Management has any private interest which may conflict with the interests of the Company.

13 CORPORATE INFORMATION

13.1 Corporate Information

The Company's registered name is Gram Car Carriers ASA, while its commercial name is "Gram Car Carriers" or "GCC". The Company is a public limited liability company (Nw.: *allmennaksjeselskap*) validly incorporated on 3 August 2021 and existing under the laws of Norway in accordance with the Norwegian Public Companies Act. The Company is registered with the Norwegian Register of Business Enterprises with registration number 827 669 962. The Company's registered business address is Bryggegata 9, N-0250 Oslo, Norway, which is also its principal place of business. The telephone number to the Company's principal offices is +47 22 01 74 50 and the website is www.gramcar.com/. The information presented on the Company's website does not form part of the Prospectus, except information incorporated by reference into the Prospectus according to Section 17.4 "*Incorporation by reference*" below. The Company's LEI code is 549300DDMB7X84EDQN80.

The Shares are registered in book-entry form with the VPS under ISIN NO 001 1109563. The Company's register of shareholders with the VPS is administrated by the VPS Registrar, SpareBank 1 SR-Bank ASA.

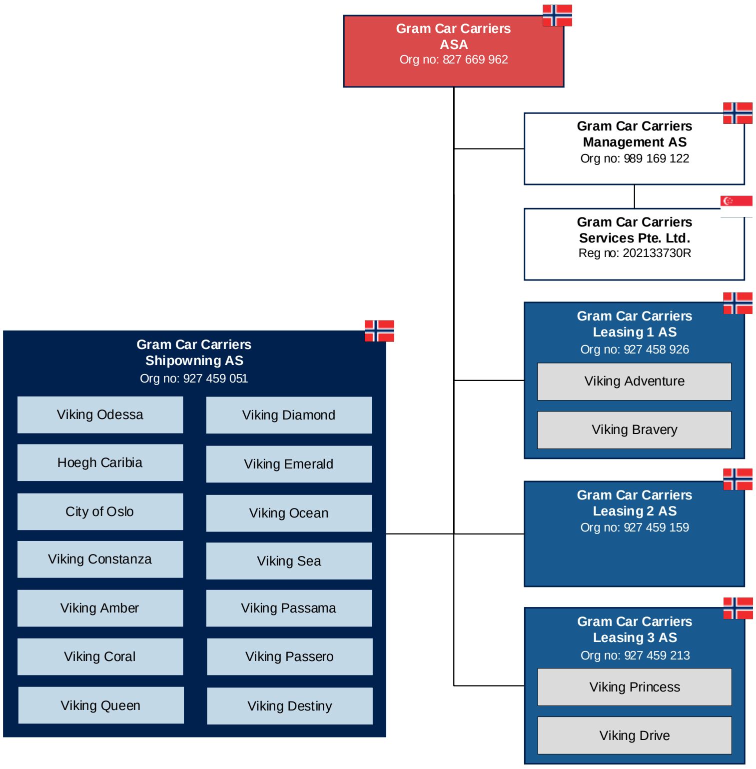
13.2 Legal structure

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. The following table sets out information about the Company's directly and indirectly owned subsidiaries:

Company name	Ownership	Registration number	Place of incorporation	Date of incorporation	Function
Gram Car Carriers Management AS	100%	989 169 122	Norway	13 Dec 2005	Management services
Gram Car Carriers Shipowning AS	100%	927 459 051	Norway	2 July 2021	Vessel owning SPV
Gram Car Carriers Leasing 1 AS	100%	927 458 926	Norway	2 July 2021	Vessel leasing SPV
Gram Car Carriers Leasing 2 AS[1]	100%	927 459 159	Norway	2 July 2021	Dormant
Gram Car Carriers Leasing 3 AS	100%	927 459 213	Norway	2 July 2021	Vessel owning SPV
Gram Car Carriers Services Pte. Ltd.	100%	202133730R	Singapore	28 Sept 2021	Administrative services

1) Gram Car Carriers Leasing 2 AS is expected to be completed in the first quarter of 2023, see Section 8.8. above.

A structure chart, including the Company's directly and indirectly owned subsidiaries, is set out below:



13.3 Share capital and share capital history

13.3.1 Overview

As of the date of this Prospectus, the share capital of the Company is NOK 85,357,580.784059, divided into 29,285,022 Shares, each with a par value of NOK 2.9147180010334. All the Shares have been created under the Norwegian Public Companies Act and are validly issued and fully paid.

The Company has granted authorizations to the Board to increase the Company's share capital, see Section 13.6 for further details.

The Company has one class of shares, and there are no differences in the voting rights among the Shares. The Shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or existing shareholders' rights of first refusal.

13.3.2 Share capital history

The table below shows the development in the Company's share capital for the period from the Company's incorporation in August 2021 and up to the date of the Prospectus:

Date of registration	Type of change	Change in share capital[1)] (NOK)	New Shares issued	Share price in NOK	Total number of Shares	Share capital (NOK)	Par value (NOK)
3 August 2021	Incorporation	1,000,000	-	-	1,000,000	1,000,000	NOK 1.00
20 October 2021	Share capital increase	100,000	-	-	1,000,000	1,100,000	NOK 1,10
20 October 2021	Share split	-	-	-	10,000,000	1,100,000	NOK 0.11
18 January 2022	Reverse share split	-	-	-	377,395	1,100,000	NOK 2.9147180010334
19 January 2022	Share capital increase[2)]	31,403,702.22	10,774,182	53.00	11,151,577	32,503,702.22	NOK 2.9147180010334
26 January 2022	Share capital increase[3)]	23,712,274.41	8,135,358	53.00	19,286,935	56,215,976,63	NOK 2.9147180010334
26 January 2022	Share capital increase[4)]	27,499,982.51	9,434,869	53,00	28,721,804	83,715,959.14	NOK 2.9147180010334
30 November 2022	Share capital increase[5)]	1,641,621.64	563,218	172.35	29,285,022	85,357,580.78	NOK 2.9147180010334

1) The figures for the increases in share capital on 19 and 26 January 2022 are rounded.
2) Share issue in connection with the Euronext Growth Private Placement.
3) Share issue towards F. Laeisz as part settlement under the F. Laeisz vessel Acquisition, see Section 8.2 above.

4) Share issue towards holders of shares of the Former Group as settlement in connection with the Reorganization, see Section 8.2 above.
5) Share issue towards F. Laeisz as part settlement under the Paglia Acquisition, see Section 8.8 above.

13.3.3 Other financial instruments

Other than the LTIP and the Option Program described in Section 12.6 above, neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such to subscribe for any Shares or shares of the Company's subsidiaries. Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares of the Company's subsidiaries will be held, directly or indirectly, by the Company.

13.4 The Listing

Since 31 January 2022, the Shares have been traded on Euronext Growth. On 11 October 2022, the Company applied for the Shares to be admitted to trading on the Oslo Stock Exchange. The Oslo Stock Exchange approved the Company's application for Listing on 23 November 2022, conditioned on the Company satisfying the other listing conditions set by the Oslo Stock Exchange. Upon Listing, the Shares will be deregistered from Euronext Growth and will be admitted to trading through the facilities of the Oslo Stock Exchange.

The Company expects that the Shares will commence trading on the Oslo Stock Exchange on or around 15 December 2022 under the ticker code "GCC". The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or multilateral trading facility (MTF).

13.5 Ownership Structure

13.5.1 Overview

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 14.8 "*Disclosure obligations*" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

As of the date of this Prospectus, the following shareholders hold more than 5% of the Company's share capital:

Shareholder	Ultimate beneficial owner	Number of Shares	% of the Company's share capital
F. Laeisz	Nikolaus H. Schües	7,884,229	26.92%
AL Maritime	Nicolaus Bunnemann	2,486,706	8.66%
Glenrinnes	Alasdair Locke	1,938,782	6.75%
HM Gram[1)]	Harald Mathias Gram	1,790,496	6.23%

1) Aggregated shareholding of HM Gram Enterprises Limited, HM Gram Investments III Limited and HMG AS.

The Company is not aware of any other person or entity who directly or indirectly has an interest in the Company's share capital or voting rights that is notifiable under section 4-2 of the Norwegian Securities Trading Act.

Except for the shareholders included in the table above, the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids since the Company's incorporation in August 2021.

No particular measures have been put in place to ensure that control is not abused by large shareholders. Minority shareholders are protected against abuse by relevant regulations in *inter alia* the Norwegian Public Companies Act and the Norwegian Securities Trading Act. See Section 13.9 "*Certain aspects of Norwegian corporate law*" and Section 14.11 "*Compulsory acquisition*".

The Company does not hold any treasury shares, nor do any of the Company's subsidiaries hold any Shares.

13.6 Authorization to increase the share capital and acquire own Shares

At the annual general meeting on 12 May 2022, the Board of Directors was granted an authorization to increase the share capital of the Company by up to NOK 16,743,191 for the purpose of completing 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 "**Authorization**"). The Authorization is valid until the annual general meeting in 2023, expiring at the latest on 30 June 2023. In addition, the Board was granted a separate authorization to increase the share capital of the Company by up to NOK 4,185,797 in connection with the Company's share option program, which is valid until the annual general meeting in 2024, expiring at the latest on 12 May 2024. The preferential rights of the existing shareholders to subscribe for new Shares pursuant to Section 10-4 of the Norwegian Public Companies Act may be deviated from under both authorizations, pursuant to the rules set out in Section 10-5 of said Act. Approximately NOK 1,641,621 of the Authorization has been used to issue the Consideration Shares to F. Laeisz in connection with the Paglia Acquisition (see Section 8.8 above). Other than this, the authorizations have not been used as of the date of this Prospectus.

The annual general meeting on 12 may 2022 further granted the Board of Directors two authorizations to acquire the Company's own Shares on behalf of the Company, each by up to a par value of NOK 4,185,797, in aggregate par value of up to NOK 8,371,594. As of the date of this Prospectus, the authorizations have not been used.

13.7 Shareholder rights

The Company has one class of Shares in issue and, in accordance with the Norwegian Public Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The rights attached to the Shares are further described in Section 13.8 "*The Articles of Association*" and Section 13.9 "*Certain aspects of Norwegian corporate law*".

To the knowledge of the Company, there are no shareholders' agreements related to the Shares.

13.8 The Articles of Association

The Articles of Association are enclosed as Appendix A to the Prospectus. Below is a summary of the provisions.

13.8.1 Objective of the Company

Pursuant to article 3 of the Articles of Association, the Company's objective is to operate shipping, to invest in ship owning companies and other business compatible therewith.

13.8.2 Share capital and par value

The Company's share capital is NOK 85,357,580.7840591, divided into 29,285,022 Shares, each with a par value of NOK 2.9147180010334.

13.8.3 The Board of Directors

The Board of Directors shall consist of between three and seven members. The Board Members are elected for a period of two years, unless otherwise is resolved by the general meeting.

13.8.4 Restrictions on transfer of Shares

Other than the lock-up undertakings set out below, there are no restrictions on transfers of the Shares.

(i) In connection with the Euronext Growth Admission, the Board Members (except for Board Member Clivia Breuel and alternate Board Member Nicolaus Bunnemann), members of the Management, as well the former shareholders of GCC Singapore and F. Laeisz, entered into customary lock-up arrangements with the Euronext Growth Advisors. The undertakings expire on 31 January 2023. By entering into the lock-up undertakings, the abovementioned persons and entities agreed not, without prior consent of the Euronext Growth Advisors, to sell, offer, contract or agree to sell, hypothecate, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares. The lock-up undertakings further restrict the abovementioned persons and entities from agreeing to enter into any swap or other arrangement that transfers to others, in whole or in part, any of the economic consequences of ownership of the Shares or other equity interests, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, as well as not to publicly announce or indicate an intention to effect any transaction, without prior consent from the Euronext Growth Advisors.

    Consent may be given at the discretion of the Euronext Growth Advisors upon written request by respective person or entity. As the Board Members and members of the Management are primary insiders, and as some of the former shareholders of GCC Singapore and F. Laeisz are closely associated to such persons, their respective transactions relating to the Shares, upon such consent (if given) and after expiry of the lock-up period, will be disclosed through a stock exchange notice by the Company.

(ii) In connection with the Paglia Acquisition, whereas F. Laeisz received the 563,218 Consideration Shares as part of the consideration for the Vessel "*Paglia*", F. Laeisz agreed to a lock-up undertaking on the Consideration Shares. The lock-up undertaking expires on 29 November 2023, being the date falling 12 months after completion of the Paglia Acquisition. By entering into the lock-up undertaking, F. Laeisz agreed not to sell, offer to sell, contract or agree to sell, hypothecate, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any of the Consideration Shares. The lock-up undertaking further restricts F. Laeisz from agreeing to enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the respective Shares or such other securities, whether any such transaction is to be settled by delivery of the respective Shares or such other securities, in cash or otherwise, as well as not to publicly announce an intention to effect any of the abovementioned transactions. The lock-up undertaking relating to the Consideration Shares may not be waived.

    The lock-up undertaking does not impose any restrictions on F. Laeisz' ownership or disposition of Shares other than the 563,218 Consideration Shares.

(iii) The employee participants in the LTIP have committed to a lock-up of a certain number of their Shares for the duration of the program. See Section 12.6.1 for further details.

13.8.5 General meetings

The annual general meeting shall address and decide upon the following matters:

1. Approval of the annual accounts and the annual report, including distribution of dividend.
2. Election of board members and the chair of the board of directors, if applicable.
3. Remuneration of the board of directors.
4. Election of new auditor if relevant, as well as approval of the auditor's remuneration.
5. Any other matters which are referred to the general meeting by law or the articles of association.

Documents relating to matters to be dealt with by the Company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents relating to matters to be dealt with at the general meeting are sent to him or her.

The Board of Directors may resolve that the shareholders may cast their votes in writing, including by electronic communication, in a period prior to the general meeting. The Board may establish specific guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set.

The Board of Directors may decide that shareholders who want to participate at a general meeting must notify the Company thereof within a set deadline that cannot expire earlier than three days prior to the general meeting.

The right to participate and vote at the Company's general meeting may only be exercised when the acquisition is entered in the VPS the fifth business day before the general meeting.

13.8.6 Nomination committee

Pursuant to article 8 of the Articles of Association, the Company shall have a nomination committee. The committee shall consist of three members and be independent of the Board and the Management. A shareholder holding more than 20% of the Shares shall have the right to appoint one member to the nomination committee. The other two members of the nomination committee, including the chair, shall be elected by the general meeting, acting with a majority of the votes cast. Members of the nomination committee are elected for a period of two years. The general meeting determines remuneration to the nomination committee.

The nomination committee shall propose candidates for members to the Board and to the nomination committee, and remuneration to the members of these bodies. The general meeting shall adopt instructions for the nomination committee.

Article 8 and the adopted instructions for the nomination committee may only be altered with the affirmative vote of more than 75% of the votes and share capital represented at the general meeting.

13.9 Certain aspects of Norwegian corporate law

13.9.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual general meetings setting forth the date and time of, the venue for and the agenda of the meeting, is sent to all shareholders with a known address no later than 21 days before the date of the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline. The latter is currently not the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at its own discretion. Pursuant to the Norwegian Securities Trading Act, a proxy voting form shall be appended to the notice of the general meeting for a Norwegian public limited liability company listed on a stock exchange or a regulated market unless such form has been made available to the shareholders on the company's website and the notice calling for the meeting includes all information the shareholders need to access the proxy voting forms, including the relevant Internet address.

Under Norwegian law, a shareholder may only exercise rights that pertain to shareholders, including participation in general meetings of shareholders, when it has been registered as a shareholder in the company's register of shareholders maintained with the VPS. Unless the articles of association explicitly states that the right to attend and vote at a general meeting may only be exercised by a shareholder if it has been entered into the company's register of shareholders five working days prior to the general meeting, all shareholders who are registered as such on the date of the general meeting have the right to attend and exercise its voting rights at that meeting. This is the case for the Company i.e. the record date for shareholders to participate at a General Meeting is five working days prior to the date of the relevant general meeting.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice of and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting provided that the company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's General Meeting.

13.9.2 Voting rights – amendments to the articles of association

Each Share carries one vote. In general, decisions that shareholders of a Norwegian public limited liability company are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who obtain(s) the most votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe for shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the articles of association, to authorize an increase or reduction of the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the articles of association.

Only a shareholder registered as such with the VPS is entitled to vote for shares of a Norwegian public limited liability company listed on a stock exchange or regulated market. Beneficial owners of the shares who are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such shares as a nominee. A nominee may not meet or vote for shares registered on a nominee account ("**NOM-account**"). A shareholder holding shares through a NOM-account must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest five working days prior to the date of the relevant general meeting.

There are no quorum requirements that apply to the general meeting of a Norwegian public limited liability company.

13.9.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's articles of association must be amended, and must thus receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. The preferential rights may be deviated from by a resolution in the general meeting passed with the same vote required to amend the articles of association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by an issuance of new shares to the Company's existing shareholders or by increasing the par value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has not filed a registration statement under the U.S. Securities Act in connection with the Listing or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights or the Shares, does not intend to do so and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

13.9.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convenes an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified within seven days before the deadline for convening the general meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the relevant general meeting has not expired.

13.9.5 Rights of redemption and repurchase of shares

The share capital of the Company may be decreased by reducing the par value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate par value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the general meeting of the Company's shareholders cannot be granted for a period exceeding two years. The Company may not subscribe for its own Shares.

13.9.6 Shareholder vote on certain reorganizations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the articles of association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

13.9.7 Liability of board members

Board members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

13.9.8 Civil proceedings against the Company in jurisdictions other than Norway

Furthermore, investors shall note that they may be unable to recover losses in civil proceedings in jurisdictions other than Norway. The Company is a public limited liability company organized under the laws of Norway. The Board Members and the members of the Management reside in Norway and the U.S. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in courts outside of Norway and/or the U.S., or to enforce judgments on such persons or the Company in other jurisdictions.

13.9.9 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

13.9.10 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at that meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

14 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway and the possible implications of owning tradable Shares on the Oslo Stock Exchange. The summary is based on the rules and regulations in force in Norway as of the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

14.1 Introduction

The Oslo Stock Exchange was established in 1819 and offers the only regulated markets for securities trading in Norway. Oslo Børs ASA is 100% owned by Euronext Nordics Holding AS, a holding company established by Euronext N.V following its acquisition of Oslo Børs VPS Holding ASA in June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

14.2 Market value of the Shares

The market value of shares listed on the Oslo Stock Exchange, including the Shares, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on the Oslo Stock Exchange will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by an issuance of additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

14.3 Trading and settlement

As of the date of this Prospectus, trading of equities on the Oslo Stock Exchange is carried out in the electronic Euronext in-house developed trading system, Optiq®.

Official trading on the Oslo Stock Exchange takes place between 09:00 CET/CEST and 16:20 CET/CEST each trading day, with pre-trade period between 07:15 CET/CEST and 09:00 CET/CEST, a closing auction from 16:20 CET/CEST to 16:25 CET/CEST and a trading at last period from 16:25 CET/CEST to 16:30 CET/CEST. Reporting of Off-Book On Exchange trades can be done from 07:15 CET/CEST to 18.00 CET/CEST.

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account with the VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

The Oslo Stock Exchange offers an interoperability model for clearing and counterparty services for equity trading through LCH Limited, EuroCCP and Six X-Clear.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

14.4 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (Inside information means precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

14.5 The VPS (Euronext Securities Oslo) and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs ASA are both 100% owned by Euronext Nordics Holding AS.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, the central bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

14.6 Shareholder register

Under Norwegian law, shares are registered with the VPS in the name of the beneficial owner of the shares. Beneficial owners of the Shares that hold their shares through a nominee (such as banks, brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to the any general meeting. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. See Section 13.9.2 "*Voting rights – amendments to the articles of association*" for more information on nominee accounts.

14.7 Foreign investment in shares listed in Norway

Foreign investors may trade in shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

Foreign investors should note that the rights of holders of shares listed on the Oslo Stock Exchange and issued by Norwegian incorporated companies are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. See Section 13.9.2 "*Voting rights – amendments to the articles of association*" for more information on certain aspects of Norwegian law.

14.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued share capital, voting rights to shares, and/or rights to issued shares of a company listed on a regulated market with Norway as its home state (which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately, subject to certain exceptions. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital, or the granting of a proxy to vote for shares at the Company's general meetings without voting instructions. For the purpose of disclosure of shareholdings, share lending and re-delivery of shares are considered disposal and acquisition of shares pursuant to the relevant provisions in the Norwegian Securities Trading Act.

14.9 Insider trading

According to Norwegian law, subscription for, purchase, sale, exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and as implemented in Norway in accordance with Section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value or price either depends on or has an effect on the price or value of such financial instruments or incitement to such dispositions.

14.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third (or more than 50%) of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares of that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares of the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six months' period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40% or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares of the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares of the company.

14.11 Compulsory acquisition

Pursuant to the Norwegian Public Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares of a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

14.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

15 NORWEGIAN TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway.

Please note that for the purpose of the summary below, a reference to a Norwegian or foreign shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

15.1 Taxation of Norwegian shareholders

15.1.1 Norwegian Individual Shareholders

Individuals resident in Norway for tax purposes are effectively taxed at 35.2% on dividends and gains from disposing of shares, in each case to the extent the dividend/gain exceeds a basic tax free allowance. The effective tax rate is based on a calculation where the dividend/gain is grossed up with a factor of 1.6 and taxed at the ordinary tax rate of 22%. Any realized loss is increased by the same factor of 1.6 (to give loss a corresponding tax reducing effect). The Norwegian government has proposed to increase the effective tax rate to 37.84% by increasing the factor from 1.6 to 1.72. If approved, the proposal will be effective for dividends and gains (losses) realized from (and including) 6 October 2022.

The tax free allowance is computed for each individual share and corresponds to the cost price of that share multiplied by an annual risk-free interest rate based on the effective rate of interest on treasury bills (Nw.: "*statskasseveksler*") with three months maturity plus 0.5 percentage points, after tax. Any part of the annual allowance exceeding the dividend distributed on the share, known as unused allowance, may be set off against future dividends on (or gains upon disposal of) the same share. Unused allowance is added to the basis for computing future allowance for the same share. The unused allowance is calculated for each calendar year, and is allocated solely to the individual holding shares at the expiration of the relevant calendar year.

Taxable gain or loss from disposing shares (before gross up) equals the sales price of the relevant share minus transaction costs and minus the tax basis on that share. The tax basis is normally equal to the acquisition cost of the share. Unused allowance on a share may be deducted from a taxable gain on the same share, but may not lead to or increase a deductible loss. Unused allowance on one share may not be set off against gain on other shares. Shares acquired first will be deemed first sold when calculating taxable gain or loss.

Norwegian individual shareholders may hold listed shares of companies resident in the EEA on a share savings account (Nw.: "*aksjesparekonto*"). Dividend and gain on shares owned through the share savings account is not immediately taxable, and losses are not deductible. Instead, later withdrawals from the account (other than tax-free allowances) that exceeds the deposits made to the account are taxable at the effective rate of 35.2% (proposed increased to 37.84%, see above). The tax-free allowance is calculated based on the lowest paid in deposit in the share savings account during the income year, plus any unused allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account.

Special rules apply for Norwegian individual shareholders whom cease to be tax-residents in Norway.

15.1.2 Norwegian Corporate Shareholders

Limited liability companies (and certain similar entities) owning shares are effectively taxed at 0.66% on dividends from shares of Norwegian companies. 3% of dividends are taxed at the ordinary tax rate of 22%, and the rate is increased to 25%, and thus 0.75% effectively, for Norwegian corporate shareholders that are considered financial institutions. Norwegian corporate shareholders are tax exempt on gain from disposing of such shares. Correspondingly, losses are not deductible. Costs incurred in connection with the purchase and realization of such shares are not tax deductible.

Special rules apply for Norwegian corporate shareholders whom cease to be tax resident in Norway.

15.2 Foreign Shareholders

All shareholders not resident in Norway for tax purposes are generally (i) exempt from Norwegian tax on gain from disposing of shares, but (ii) subject to Norwegian withholding tax at a rate of 25% on dividends from Norwegian companies. If, however, the foreign shareholder holds the shares as part of a business carried out by that shareholder in Norway, both gain and dividends would be taxable to the same extent as for a corresponding Norwegian Individual Shareholder or Norwegian Corporate Shareholder (see above).

The withholding tax on dividends is subject to certain important exceptions and modifications:

- Corporate shareholders resident in the EEA are exempt from withholding tax to the extent they are limited companies (and certain similar companies), which can demonstrate that they are beneficial owners, and that they are genuinely established and carry on genuine economic business activities in the EEA.

- Both corporate and individual shareholders are often entitled to a reduced withholding rate in tax treaties between Norway and their countries of tax residency, provided they can document entitlement (see below).

- Individual shareholders residing for tax purposes in the EEA may apply to the Norwegian tax authorities for a refund if the tax withheld exceeds the tax that would have been levied on Norwegian individual shareholders. However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% less the tax-free allowance.

  Individual shareholders residing for tax purposes in the EEA may further hold listed shares of EEA resident companies on a share savings account. Dividends received on, and gains derived upon the realization of, shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawals from the share saving account exceeding the paid in deposit on the account, is subject to the withholding tax rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains realized upon realization of shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

15.3 Procedure for claiming a reduced withholding tax rate on dividends

The distributing company is responsible for withholding the taxes on distributions to foreign shareholders (except if shares are held on a share savings account, in which case the responsibility lies with the account operator).

A foreign shareholder that is entitled to an exemption from or reduction of withholding tax on dividends, may request that the exemption or reduction is applied at source. Such a request must be made to the foreign shareholder's nominee or account operator with the VPS, supported by a certificate of residence issued by the tax authorities in the shareholder's country of residence within the last three years, confirming that the shareholder is resident in that country. Foreign corporate shareholders must further present either (i) an previously approved withholding tax refund application or (ii) an approval from the Norwegian tax authorities confirming its entitlement to a reduced rate. If the foreign corporate shareholder is resident in the EEA and claiming full withholding exemption, it must further declare that the circumstances entitling it to the exemption have not changed since the documentation was issued.

The statutory 25% withholding tax rate will be levied on dividends paid to foreign shareholders unless they have successfully requested to have a reduced rate or exemption applied at source. The shareholder will in such case have to apply to the Central Office – Foreign Tax Affairs for a refund of the excess amount of tax withheld.

Foreign shareholders should consult their own advisors regarding the availability of treaty benefits in respect of dividend payments, including (if relevant) the possibility of effectively claiming a refund of withholding tax.

15.4 Wealth tax

Norwegian corporate shareholders are exempt from wealth tax, while Norwegian individual shareholders are subject to net wealth tax on the part of net wealth exceeding NOK 1.7 million (NOK 3.4 million jointly for spouses). The ordinary rate is 0.95% up to NOK 20 million and 1.1% on exceeding net wealth. Shares listed on the Oslo Stock Exchange are included in net wealth at a value equal to 75% of their listed share price on 1 January in the tax assessment year (i.e. in the year after the income year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%). The Norwegian government has proposed to increase the 0.95% wealth tax rate to 1% and to increase the valuation from 75% to 80% with effect from 2023.

Foreign shareholders are not subject to Norwegian net wealth tax on shares, unless the shareholder is an individual holding the shares as part of a business carried out by that individual in Norway.

15.5 VAT and transfer taxes

No transfer, VAT, stamp or similar duties are imposed in Norway on transfer or issuance of shares.

15.6 Inheritance and gift taxes

No inheritance or gift taxes are imposed in Norway on transfer or issuance of shares.

16 SELLING AND TRANSFER RESTRICTIONS

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby. The Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

16.1 Selling and transfer restrictions

16.1.1 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold within the United States.

16.1.2 Other jurisdictions

The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any other jurisdiction in which it would not be permissible to offer the Shares.

17 ADDITIONAL INFORMATION

17.1 Independent auditor

The Company's independent auditor is BDO AS, with registration number 993 606 650 and registered address Munkedamsveien 45A, N-0250 Oslo, Norway. The partners of BDO AS are members of the Norwegian Institute of Public Accountants (Nw.: *Den norske Revisorforening*).

BDO AS has been the Company's independent auditor since the Company's incorporation in August 2021.

17.2 Advisors

Fearnley Securities AS, with registration number 945 757 647 and registered address Dronning Eufemias gate 8, N-0191 Oslo, Norway, has acted as financial advisor to the Company in connection with the Listing.

Pareto Securities AS, with registration number 956 632 374 and registered address Dronning Mauds gate 3, N-0250 Oslo, Norway, has acted as financial advisor to the Company in connection with the Listing.

Wikborg Rein Advokatfirma AS, with registration number 916 782 195 and registered address Dronning Mauds gate 11, N-0250 Oslo, Norway, has acted as Norwegian legal counsel to the Company in connection with the Listing.

Advokatfirmaet Thommessen AS, with registration number 957 423 248 and registered address Ruseløkkveien 38, N-0251 Oslo, Norway, and PricewaterhouseCoopers AS, with registration number 987 009 713 and registered address Dronning Eufemias gate 71, N-0194 Oslo, Norway, have acted as the Company's legal and financial due diligence advisors in connection with the Listing.

17.3 Documents on display

Copies of the following documents will be available for inspection at the Company's offices during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association;
- all reports, letters, and other documents, valuations and statements prepared by any expert at the Company's request, any part of which is included or referred to in this Prospectus; and
- this Prospectus.

The documents are also available at the Company's website www.gramcar.com. The content of the website is not incorporated by reference into, or otherwise form part of, this Prospectus, except as set out in Section 17.4 "*Incorporation by reference*" below.

17.4 Incorporation by reference

The information incorporated by reference in this Prospectus should be read in connection with the cross-reference table set out below. Except from this Section 17.4, no other information is incorporated by reference in this Prospectus.

Reference in Prospectus:	Refers to:	Details:
Summary, Sections 4.2.1, 9, 10, 11	The Interim Financial Statements, available at https://gramcar.com/investor/reports-and-presentations	The Group: Statement of comprehensive income: Page 9 Statement of financial position: Page 10 Statement of changes in equity: Page 11 Statement of cash flow: Page 12 Notes: Pages 13 and following
Sections 4.2.1, 11.4.2.1	The interim financial statements as of and for the six months' period ended 30 June 2022, with comparable figures as of and for the six months' period ended 30 June 2021, available at https://gramcar.com/investor/reports-and-presentations	The Group: Statement of comprehensive income: Page 9 Statement of financial position: Page 10 Statement of changes in equity: Page 11 Statement of cash flow: Page 12 Notes: Pages 13 and following
Summary, Sections 4.2.1, 9, 10, 11	The First-year Financial Statements, available at https://gramcar.com/investor/annual-general-meetings.	The Group: Statement of comprehensive income: Page 3 Statement of financial position: Page 4 Statement of changes in equity: Page 5 Statement of cash flow: Page 6 Notes: Pages 7 and following

18 DEFINITIONS AND GLOSSARY OF TERMS

Adjusted Financial Statements for 2021	The audited, consolidated figures of the Company based on the Former Group's consolidated financial statements for the year ended 31 December 2021, as adjusted according to the adjustments set out in Section 4.2.1.3
AL Maritime	AL Maritime Holding Pte. Ltd.
ANFAVEA	Associação Nacional dos Fabricantes de Veículos Automotores
APMs	Alternative performance measures
Articles of Association	The articles of association of the Company, last amended 29 November 2022, attached hereto as Appendix A
Audited Financial Statements	The audited, consolidated financial statements of the Company as of and for the period ended 30 June 2022, with comparable figures from the Adjusted Financial Statements for 2021, prepared in accordance with IFRS
Authorization	Has the meaning ascribed to such term in Section 13.6 above
Board of Directors or **Board Member(s)**	The members of the board of directors of the Company, or any one of them
BWM Convention	The International Convention for the Control and Management of Ships' Ballast Water and Sediments of 2016
CEO	Chief Executive Officer
CET / CEST	Central European Time / Central European Summer Time
CEU	Car equivalent units
CFO	Chief Financial Officer
CII	Carbon Intensity Indicator
Company or **Gram Car Carriers**	Gram Car Carriers ASA, a Norwegian public limited liability company with registration number 827 669 962 and registered address at Bryggegata 9, N-0250 Oslo, Norway
Company Information	The Company's own assessment and knowledge of the potential markets in which it may operate
Consideration Shares	The 563,218 Shares issued to F. Laeisz as consideration in connection with the Paglia Acquisition
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, last revised on 14 October 2021
Distribution ship	A vessel with capacity up to 3,500 CEU, serving regional markets like Northern Europe and Caribbean
DNV	Det Norske Veritas
EBITDA	Profit and loss for the period before net financial items, income tax expense, depreciation and amortization.
EEA	The European Economic Area
EEXI	Energy Efficiency Existing Ship Index
ESMA	The European Securities and Markets Authority
EU	The European union
EU ETS	EU Emissions Trading System
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, as implemented in Norway
Euronext Growth	Euronext Growth Oslo, a multilateral trading facility operated by Oslo Børs ASA
Euronext Growth Admission	The admission to trading of the Shares on Euronext Growth on 31 January 2022
Euronext Growth Advisors	Fearnley Securities AS, with registration number 945 757 647, and Pareto Securities AS, with registration number 956 632 374
Euronext Growth Private Placement	The private placement of new Shares completed in connection with the Euronext Growth Admission, raising gross proceeds to the Company of NOK 1.002 billion, equivalent to approximately USD 115.6 million
Fearnleys	Fearnleys A/S, with registration number 943 190 410
Financial Information	The Audited Financial Statements, the Former Group Financial Statements and the Interim Financial Statements, collectively
First-year Financial Statements	The audited, consolidated financial statements of the Company for the period from its incorporation on 3 August 2021 to 31 December 2021, prepared in accordance with IFRS
Former Group	GCC Singapore and its consolidated subsidiaries, prior to completion of the Reorganization
Former Group Financial Statements	The audited, consolidated financial statements of the Former Group as of and for the years ended 31 December 2020 and 2019, prepared in accordance with Singapore FRS
F. Laeisz	F. Laeisz GmbH, a German private limited company with registration number HRB 52064 and registered address Trostbrucke 1, 20457 Hamburg, Germany
F. Laeisz vessel Acquisition	has the meaning ascribed to such term in Section 8.2
GAC	Global Auto Carriers AS, with registration number 928 957 497

GCC Leasing 2	Gram Car Carriers Leasing 2 AS, with registration number 927 459 159
GCC Management	Gram Car Carriers Management AS, with registration number 989 169 122
GCC Services	Gram Car Carriers Services Pte. Ltd., with registration number 202133730R (Singapore)
GCC Shipowning	Gram Car Carriers Shipowning AS, with registration number 927 459 051
GCC Singapore	Gram Car Carriers Holdings Pte. Ltd., with registration number 200808574D (Singapore)
GDPR	The General Data Protection Regulation (EU) 2016/679
Glenrinnes	Glenrinnes Farms Limited
Group	The Company and its consolidated subsidiaries
Hesnes	Hesnes Shipping AS, with registration number 942 165 951
HM Gram	HM Gram Enterprises Limited, HM Gram Investments III Limited and HMG AS, collectively
IAS 34	International Accounting Standard 34 "*Interim Financial Reporting*" as adopted by the EU
IFRIC	Interpretations provided by IFRS Interpretations Committee
IFRS	International Financial Reporting Standards and in accordance with interpretations determined by the International Accounting Standards Board (IASB) as adopted by the EU
ILO	The International Labour Organization
IMO	The International Maritime Organization
Interim Financial Statements	The unaudited, condensed consolidated financial information of the Company as of and for the nine months' period ended 30 September 2022, with comparable unaudited, consolidated figures for the nine months' period ended 30 September 2021, prepared in accordance with IAS 34
ISRE	International Standard on Review Engagements 2410
K-Line	Kawasaki Kisen Kaisha, Ltd.
LCTCs	Large car and truck carriers
Leasing Debt	Has the meaning ascribed to such term in Section 11.8.2
LEI	Legal Entity Identifier
LIBOR	London Interbank Offered Rate
Listing	The listing of the Shares on the Oslo Stock Exchange
LTIP	The long term incentive program for members of the Management and other employees of the Group described in Section 12.6.1
Management	The members of the Company's executive management
MARPOL	International Convention for the Prevention of Pollution from Ships
Mid-size	A vessel with capacity 3,500 5,999 CEU, serving north-south trade-lanes intra continents
MiFID II	EU Directive 2014/65 on markets in financial instruments, as amended
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures
NOK	Norwegian kroner, the lawful currency of Norway
NOM-account	Nominee account, in which non-Norwegian beneficial owners of shares may register ownership
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*)
Norwegian Public Companies Act	The Norwegian Public limited Liability Companies Act of 13 June 1997 no. 45, as amended (Nw.: *allmennaksjeloven*)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (Nw.: *verdipapirhandelloven*)
Option Program	The long term share option program for members of the Management described in Section 12.6.2
Oslo Stock Exchange	Oslo Børs, a Norwegian regulated market being part of Euronext® and operated by Oslo Børs ASA
OSM	OSM Ship Management Pte. Ltd.
Paglia Acquisition	Has the meaning ascribed to such term in Section 8.8
Panamax	A vessel with capacity 6,000+ CEU, serving east-west trade-lanes crossing the canals and major oceans
PCCs	Pure car carriers
PCTCs	Pure car and truck carriers
Prospectus	This prospectus dated 30 November 2022

Regulated Market	A market for financial instruments within the scope of Article 4(1)(21) of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments
Reorganization	Has the meaning ascribed to such term in Section 8.2
Share(s)	The shares of the Company, consisting as of the date of this Prospectus of 29,285,022 ordinary shares each with a par value of NOK 2.9147 (rounded)
Singapore FRS	Financial reporting standards in Singapore
SOFR	Secured overnight financing rate
SOLAS	International Convention for the Safety of Life at Sea
STCW	International Convention on Standards of Training, Certification and Watch keeping for Seafarers
Target Market Assessment	The product approval process which has determined that each Share are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II, and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II
TC	Time charter
TCE	Time charter equivalent
UNCLOS	The United Nations Convention on the Law of the Sea
USD	United States Dollars, the lawful currency of the United States of America
USD 15 million Credit Facility	Has the meaning ascribed to such term in Section 11.8.3
USD 302 million Credit Facility	Has the meaning ascribed to such term in Section 11.8.1
U.S. or the **United States**	The United States of America
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
Vessels	The vessels that are currently owned, leased or under commercial management by the Group, as set out in Section 8.3.1
VPS	The Norwegian central securities depository, Euronext Securities Oslo (Nw.: *Verdipapirsentralen*)
VPS Registrar	SpareBank 1 SR-Bank ASA

Gram Car Carriers ASA
Bryggegata 9
N-0250 Oslo
Norway
https://www.gramcar.com/

Legal advisor to the Company

Wikborg Rein Advokatfirma AS
Dronning Mauds gate 11
N-0250 Oslo
Norway
Phone: +47 22 82 75 00
https://www.wr.no/

APPENDIX A – Articles of Association of Gram Car Carriers ASA

VEDTEKTER FOR

GRAM CAR CARRIERS ASA

Vedtatt 29. november 2022

§ 1 Foretaksnavn

Selskapets navn er Gram Car Carriers ASA. Selskapet er et allmennaksjeselskap.

§ 2 Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

§ 3 Formål

Selskapets formål er å drive skipsfart, investere i skipseiende selskaper og tilhørende virksomhet.

§ 4 Aksjekapital

Selskapets aksjekapital er NOK 85.357.580,7840591 fordelt på 29.285.022 aksjer, hver pålydende NOK 2,9147180010334.

Aksjene skal være registrert i Verdipapirsentralen ASA (VPS).

§ 5 Styre

Selskapets styre skal bestå av mellom tre og syv medlemmer.

Styrets medlemmer velges for to år om gangen, om ikke generalforsamlingen fastsetter en annen periode.

§ 6 Signatur

Selskapet tegnes av to styremedlemmer i fellesskap eller styrets leder alene.

§ 7 Generalforsamling

På den ordinære generalforsamlingen skal følgende saker behandles og avgjøres:

- Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
- Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

ARTICLES OF ASSOCIATION OF

GRAM CAR CARRIERS ASA

As of 29 November 2022

§ 1 Company name

The company's name is Gram Car Carriers ASA. The company is a public limited liability company.

§ 2 Business office

The company's registered office is in the municipality of Oslo, Norway.

§ 3 Objective

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

§ 4 Share capital

The company's share capital is 85,357,580.7840591, divided into 29,285,022 shares, each with a par value of NOK 2.9147180010334.

The shares shall be registered with the Norwegian Registry of Securities (VPS).

§ 5 Board of directors

The board of directors shall consist of between three and seven members.

The members of the board are elected for a period of two years, unless otherwise is resolved by the general meeting.

§ 6 Signatory rights

The authorization to sign for and on behalf of the company is held by two board members jointly or by the chair of the board acting alone.

§ 7 General meeting

The annual general meeting shall address and resolve upon the following matters:

- Approval of the annual accounts and the annual report, including distribution of dividend.
- Any other matters which are referred to the general meeting by law or the articles of association.

Dokumenter som gjelder saker som skal behandles på selskapets generalforsamling, herunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjeeierne dersom dokumentene er tilgjengelige på selskapets internettside. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

Documents relating to matters to be dealt with by the company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the company's website. A shareholder may nevertheless request that documents relating to matters to be dealt with at the general meeting are sent to him or her.

Styret kan vedta at aksjeeiere kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik forhåndsstemming. Det skal fremgå av generalforsamlingsinnkallingen hvilke retningslinjer som er fastsatt.

The board of directors may resolve that the shareholders may cast their votes in writing, including by electronic communication, in a period prior to the general meeting. The board of directors may establish specific guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set.

Styret kan beslutte at aksjeeiere som vil delta på generalforsamlingen, må melde dette til selskapet innen en bestemt frist som ikke kan utløpe tidligere enn tre dager før generalforsamlingen.

The board of directors may decide that shareholders who want to participate at a general meeting must notify the company thereof within a set deadline that cannot expire earlier than three days prior to the general meeting.

Retten til å delta og stemme på generalforsamlingen kan bare utøves når ervervet er innført i VPS den femte virkedagen før generalforsamlingen.

The right to participate and vote at the general meeting may only be exercised when the acquisition is entered in the VPS the fifth business day before the general meeting.

§ 8 Valgkomité

Selskapet skal ha en valgkomité bestående av tre medlemmer som skal være uavhengige av styret og den daglige ledelsen. Valgkomiteens medlemmer, herunder valgkomiteens leder, velges av generalforsamlingen med flertall av de avgitte stemmer, men likevel slik at én aksjonær som eier mer enn 20% av aksjene i selskapet har rett til å utpeke ett av de tre medlemmene. Valgkomitéens medlemmer velges for en periode på to år. Generalforsamlingen fastsetter godtgjørelse til valgkomitéen.

Valgkomiteen foreslår kandidater til styret og valgkomiteen, og godtgjørelse til medlemmer av disse organene. Generalforsamlingen skal fastsette instruks for valgkomiteen.

Denne § 8 og fastsatt instruks til valgkomiteen kan kun endres med tilslutning fra mer enn 75 % av stemmene og aksjekapitalen som er representert på generalforsamlingen.

§ 8 Nomination committee

The company shall have a nomination committee consisting of three members and shall be independent of the board of directors and the management. A shareholder which own more than 20% of the issued shares of the company has a right to appoint one of these members. The other two members of the nomination committee, including the chair shall be elected by the general meeting acting with a majority of the votes cast. Members of the nomination committee are elected for a period of two year. The general meeting determines remuneration to the nomination committee.

The nomination committee proposes candidates for members of the board of directors and the nomination committee, and remuneration to the members of these bodies. The general meeting shall adopt instructions for the nomination committee.

This § 8 and the adopted instructions for the nomination committee may only be altered with the affirmative vote of more than 75% of the votes and share capital represented at the general meeting.

APPENDIX B – Former Group Financial Statements for 2021

Deloitte.

GRAM CAR CARRIERS HOLDINGS PTE. LTD.
AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)
(Company Registration Number 200808574D)

DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2021

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

DIRECTORS' STATEMENT

The Directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2021.

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 6 to 60 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

The Directors and management has expressed its intention to cease the operations of the Group and the Company and will commence liquidation proceedings subsequent to the end of the financial year. Accordingly, the financial statements have been prepared on a basis other than that of a going concern.

1 DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Stephen Woodruff Fordham
Gunnar Stautland Koloen (Appointed on 15 March 2022)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of Directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967, except as follows:

Name of Directors and Company in which interests are held	Shareholdings registered in name of Director		Shareholdings in which Directors are deemed to have an interest	
Gram Car Carriers Holdings Pte. Ltd. (Ordinary shares)	At beginning of year	At end of year	At beginning of year	At end of year
Harald Mathias Gram (Resigned on 7 March 2022)	-	-	57,788,296	57,788,296
Alasdair James Dougall Locke (Resigned on 7 March 2022)	-	-	43,181,809	43,181,809
Belle Heloise Claire de Bruin (Resigned on 7 March 2022)	-	-	22,356,884	22,356,884

4 SHARE OPTIONS

(a) Options to take up unissued shares

In 2020, the Company implemented a share option scheme for the Chief Executive Officer ("CEO") of a subsidiary of the Company. Options are exercisable at US$0.00001 in various tranches. The vesting date of the first tranche and adjustment tranche(s) is on 30 September 2020 and the date(s) when the US$15 million redeemable convertible loan ("RCL") is converted or repaid in part or in full, respectively. If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited if the CEO leaves the company before the options vest.

The number of options vesting for the first tranche is the number to adjust for RCLs exercised and equity changes, up to a maximum of 5,159,000, ensuring an ownership of 2.01% on a fully diluted basis. The number of options vesting for the adjustment tranche(s) is the number ensuring an ownership of 2.01% taking into account regular shares, redeemable preference shares and US$15 million RCL on a fully diluted basis.

In 2022, the CEO has exercised his options to take up 7,412,875 ordinary shares in the Company.

(b) Options exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.

....

Gunnar Stautland Koloen
Director

....

Stephen Woodruff Fordham
Director

6 September 2022
Singapore

Deloitte.

Deloitte & Touche LLP
Unique Entity No. T08LL0721A
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809

Tel: +65 6224 8288
Fax: +65 6538 6166
www.deloitte.com/sg

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GRAM CAR CARRIERS HOLDINGS PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gram Car Carriers Holdings Pte. Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 60.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Notes 1 and 2 to the financial statements which indicate the financial statements have been prepared on a basis other than that of a going concern as management has expressed its intention to cease the operations of the Group and the Company and will commence liquidation proceedings subsequent to the end of the financial year.

Our opinion is not modified in respect of this matter.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GRAM CAR CARRIERS HOLDINGS PTE. LTD.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using 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.

The Directors' responsibilities include overseeing the Group's financial reporting process.

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 SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GRAM CAR CARRIERS HOLDINGS PTE. LTD.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting. When such use is inappropriate and management uses an alternative basis of accounting, we conclude whether the alternative basis used by management is acceptable in the circumstances. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

6 September 2022

Attachment 1

Notice of the Auditor

1. Deloitte & Touche LLP ("the Auditor"), the auditor of Gram Car Carriers Holdings Pte. Ltd. ("the Company"), has, on certain conditions, allowed limited disclosures of its audit report on the financial statements of the Company and its Singapore subsidiary corporations (collectively, the “Group”) for the financial year ended 31 December 2021 (“audit report”).

2. The Auditor’s audit report on the financial statements was prepared solely for the Company and for the purpose of fulfilling the Auditor’s duties as statutory auditors of the Group and for no other purpose. The audit report should not be referred to in any document or distributed to any other party without the Auditor’s prior written consent.

3. The limited disclosures have been consented to by the Auditor on the basis that (i) the Auditor’s audit report and the information in them should not be treated as sufficient, complete, adequate or suitable for the purposes of any other party as items of possible interest to any other party may not have been specifically addressed; and (ii) the Auditor, its partners, principals, and employees have no responsibility for any decision of any other party nor any responsibility to advise or consult with any other party regarding possible use of the audit report in connection with any decisions, and the Auditor specifically disclaims its association with any such decisions. The Auditor, its partners, principals, and employees have no responsibility for the assessment, advice or other statement made by any other party or for any decision of any other party nor any responsibility to advise or consult with any other party regarding the possible use of our audit report in connection with any assessment, advice, statements or decisions, and the Auditor specifically disclaims its association with any such assessment, advice, statement or decisions.

4. To the fullest extent permitted by law, the Auditor, its partners, principals and employees neither owe nor accept any duty (whether in contract or in tort or howsoever arising, including without limitation, negligence and breach of statutory duty) nor assume any responsibility to the Group or any other party in respect of any loss, damage or expense of whatsoever nature arising from any other party’s use of and reliance on the audit report. If any other party wishes to rely upon the audit report, they do so entirely at their own risk.

5. For the avoidance of doubt, the reference to “any other party” in this Notice includes without limitation, Gram Car Carriers ASA and/or its related entities and affiliates, existing and/or potential investors in the Company, Gram Car Carriers ASA and/or their related entities and affiliates, existing and/or potential lenders to the Company, Gram Car Carriers ASA and/or their related entities and affiliates, the Oslo Stock Exchange, the Financial Supervisory Authority of Norway, the European Securities and Markets Authority, any person or entity who accesses the audit report on Gram Car Carriers ASA’s website and/or via the European Securities and Markets Authority prospectus register.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021

	Note	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
ASSETS					
Current assets					
Cash and cash equivalents	4	15,959,911	11,570,716	2,794,995	4,950,600
Trade and other receivables	5	3,525,463	657,765	23,051,243	739,357
Prepayments		513,416	616,826	57,191	59,550
Inventories		1,737,823	2,633,170	129,236	299,531
		21,736,613	15,478,477	26,032,665	6,049,038
Assets classified as held for sale	6	432,081,565	42,669,000	11,349,178	-
Total current assets		453,818,178	58,147,477	37,381,843	6,049,038
Non-current assets					
Long term receivable	5	-	1,000,000	-	22,519,416
Investments in subsidiaries	7	-	-	38,849,381	97,438,010
Other investment	8	159,000	159,000	-	-
Property, plant and equipment	9	18,062	425,546,249	-	-
Right-of-use assets	10	500,788	65,973,897	166,317	12,475,477
Total non-current assets		677,850	492,679,146	39,015,698	132,432,903
Total assets		454,496,028	550,826,623	76,397,541	138,481,941
LIABILITIES					
Current liabilities					
Trade and other payables	11	14,844,949	9,700,395	9,268,073	720,507
Bank borrowings	12	-	4,413,209	-	-
Lease liabilities	13	550,813	3,164,966	125,424	1,897,292
Deferred revenue		3,129,023	1,237,792	212,258	-
Provision	16	-	566,667	-	566,667
Redeemable convertible loans	15	22,502,146	-	22,502,146	-
Derivative financial instruments	14	97,760	-	-	-
		41,124,691	19,083,029	32,107,901	3,184,466
Liabilities directly associated with assets classified as held for sale	6	374,588,360	45,274,221	14,010,982	-
Total current liabilities		415,713,051	64,357,250	46,118,883	3,184,466
Non-current liabilities					
Redeemable convertible loans	15	-	22,502,146	-	22,502,146
Other payables	11	-	2,455,518	-	2,455,518
Bank borrowings	12	-	327,969,584	-	-
Lease liabilities	13	43,918	46,711,982	43,918	12,772,776
Derivative financial instruments	14	-	162,664	-	-
Total non-current liabilities		43,918	399,801,894	43,918	37,730,440
Total liabilities		415,756,969	464,159,144	46,162,801	40,914,906
NET ASSETS		38,739,059	86,667,479	30,234,740	97,567,035
EQUITY					
Share capital	17	230,791,059	230,791,059	230,791,059	230,791,059
Redeemable preference shares	17	1,042,027	1,042,027	1,042,027	1,042,027
Translation reserve	18	(74,254)	(121,103)	-	-
Share options reserve	18	370,644	-	370,644	-
Accumulated losses		(202,865,989)	(158,759,681)	(201,968,990)	(134,266,051)
Equity attributable to owners of the Company		29,263,487	72,952,302	30,234,740	97,567,035
Non-controlling interests		9,475,572	13,715,177	-	-
Total equity		38,739,059	86,667,479	30,234,740	97,567,035

The accompanying notes form an integral part of these financial statements.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 December 2021

	Note	Group 2021 US$	Group 2020 US$
Operating revenue	19	76,098,828	45,830,265
Other income	20	1,995,356	347,502
Operating expenses:			
- Vessels operating		(34,478,542)	(33,337,420)
- Depreciation on property, plant and equipment	9	(21,173,499)	(21,015,402)
- Depreciation on right-of-use assets	10	(4,187,093)	(6,022,174)
- Interest expense	21	(16,941,472)	(15,545,630)
- Impairment of property, plant and equipment	9	(36,871,000)	(12,420,000)
- Impairment of right-of-use asset	10	(4,002,000)	(5,338,919)
- Reversal of docking expenditure	16	566,667	-
- Reversal of termination penalty on lease		274,221	202,799
- Amortisation of loan fees		(560,392)	(1,189,136)
- Employee compensation	22	(5,407,871)	(2,802,878)
- Legal and professional fees		(2,152,783)	(1,271,234)
- Travelling		(34,005)	(68,187)
- Directors' fee	25	(204,500)	(183,144)
- Bank charges		(77,500)	(90,112)
- Others		(1,184,110)	(186,635)
Total operating expenses		(126,433,879)	(99,268,072)
Loss before income tax		(48,339,695)	(53,090,305)
Income tax (expense)/credit	23	(6,218)	81,468
Loss for the year		(48,345,913)	(53,008,837)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	18	46,849	(107,099)
Other comprehensive income/(loss) for the year, net of tax		46,849	(107,099)
Total comprehensive loss for the year		(48,299,064)	(53,115,936)

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONT'D) AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 December 2021

	Group	
	2021	2020
	US$	US$
Loss attributable to:		
Owners of the Company	(44,106,308)	(49,809,643)
Non-controlling interests	(4,239,605)	(3,199,194)
	(48,345,913)	(53,008,837)
Total comprehensive loss attributable to:		
Owners of the Company	(44,059,459)	(49,916,742)
Non-controlling interests	(4,239,605)	(3,199,194)
	(48,299,064)	(53,115,936)

The accompanying notes form an integral part of these financial statements.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2021

Group	Note	Share capital	Redeemable preference shares	Translation reserve	Share options reserve	Accumulated losses	Attributable to equity holders of the Company	Non-controlling interests	Total equity
		US$	US$	US$	US$	US$	US$	US$	US$
As at 1 January 2020		230,791,059	1,042,027	(14,004)	-	(108,950,038)	122,869,044	16,914,371	139,783,415
Total comprehensive loss for the year									
Loss for the year		-	-	-	-	(49,809,643)	(49,809,643)	(3,199,194)	(53,008,837)
Other comprehensive loss for the year	18	-	-	(107,099)	-	-	(107,099)	-	(107,099)
		-	-	(107,099)	-	(49,809,643)	(49,916,742)	(3,199,194)	(53,115,936)
As at 31 December 2020		230,791,059	1,042,027	(121,103)	-	(158,759,681)	72,952,302	13,715,177	86,667,479
Transactions with owners, recognised directly in equity									
Recognition of share-based payments (Note 22)		-	-	-	370,644	-	370,644	-	370,644
Total comprehensive loss for the year									
Loss for the year		-	-	-	-	(44,106,308)	(44,106,308)	(4,239,605)	(48,345,913)
Other comprehensive income for the year	18	-	-	46,849	-	-	46,849	-	46,849
		-	-	46,849	-	(44,106,308)	(44,059,459)	(4,239,605)	(48,299,064)
As at 31 December 2021		230,791,059	1,042,027	(74,254)	370,644	(202,865,989)	29,263,487	9,475,572	38,739,059

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2021

Company	Share capital	Redeemable preference shares	Share options reserve	Accumulated losses	Total equity
	US$	US$	US$	US$	US$
As at 1 January 2020	230,791,059	1,042,027	-	(115,720,939)	116,112,147
Loss for the year, representing total comprehensive loss for the year	-	-	-	(18,545,112)	(18,545,112)
As at 31 December 2020	230,791,059	1,042,027	-	(134,266,051)	97,567,035
Transactions with owners, recognised directly in equity					
Recognition of share-based payments (Note 22)	-	-	370,644	-	370,644
Loss for the year, representing total comprehensive loss for the year	-	-	-	(67,702,939)	(67,702,939)
As at 31 December 2021	230,791,059	1,042,027	370,644	(201,968,990)	30,234,740

The accompanying notes form an integral part of these financial statements.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021

		Group	
	Note	2021	2020
		US$	US$
Operating activities			
Loss before income tax		(48,339,695)	(53,090,305)
Adjustments for:			
Depreciation on property, plant and equipment	9	21,173,499	21,015,402
Depreciation on right-of-use assets	10	4,187,093	6,022,174
Reversal of docking expenditure		(566,667)	-
Interest expense	21	16,941,472	15,545,630
Net fair value gain on derivative financial instruments	20	(64,904)	(101,152)
Amortisation of loan fees		560,392	1,189,136
Impairment of property, plant and equipment	9	36,871,000	12,420,000
Impairment of right-of-use asset	10	4,002,000	5,338,919
Reversal of termination penalty on lease		(274,221)	(202,799)
Interest income	20	(175)	(18,787)
Share-based payments	22	370,644	-
Operating cash flows before movements in working capital		34,860,438	8,118,218
Trade and other receivables		(1,867,698)	(131,794)
Prepayments		103,410	162,994
Inventories		895,347	(588,133)
Trade and other payables		2,507,501	(433,840)
Deferred revenue		1,891,231	(1,058,328)
Cash generated from operations		38,390,229	6,069,117
Tax paid		(24,864)	(55,429)
Interest income		175	18,787
Net cash from operating activities		38,365,540	6,032,475
Investing activities			
Purchase of property, plant and equipment	9	(6,229,682)	(4,344,071)
Purchase of right-of-use assets	10	(834,704)	(46,290)
Net cash used in investing activities		(7,064,386)	(4,390,361)
Financing activities			
Proceeds from issuance of redeemable convertible loans	15	-	7,502,146
Repayment of bank borrowings		(7,393,209)	(1,887,853)
Repayment of lease liabilities		(5,470,581)	(1,860,898)
Interest paid		(14,095,018)	(4,185,235)
Net cash used in financing activities		(26,958,808)	(431,840)
Net increase in cash and cash equivalents		4,342,346	1,210,274
Cash and cash equivalents at beginning of financial year		11,570,716	10,467,541
Effect of foreign exchange rate changes on cash and cash equivalents	18	46,849	(107,099)
Cash and cash equivalents at end of financial year	4	15,959,911	11,570,716

The accompanying notes form an integral part of these financial statements.

1 GENERAL INFORMATION

Gram Car Carriers Holdings Pte. Ltd. (Registration Number 200808574D) is incorporated and domiciled in Singapore. Its principal place of business and registered office at 6 Temasek Boulevard, #39-02 Suntec Tower Four, Singapore 038986. The financial statements are expressed in United States dollars.

The principal activities of the Company and its subsidiaries are those relating to the business of owning, operating and chartering pure car and truck carriers ("PCTC") vessels. As at the end of the reporting period, the Group has 16 (2020 : 17) PCTC vessels in operation.

In January 2022, the Company and its subsidiaries (the "Group") completed its fund-raising by a newly incorporated group in Norway, Gram Car Carriers ASA and its subsidiaries, through issuance of shares to new equity investors in a private placement ("Equity Fund-raising") and subsequent listing of Gram Car Carriers ASA on the Euronext Growth in Oslo. Gram Car Carriers ASA and its subsidiaries had also successfully entered into a US$222 million loan facility. Prior to the completion of the Equity Fund-raising, Gram Car Carriers ASA was a wholly owned subsidiary of the Company. At the date of these financial statements, Gram Car Carriers ASA is an affiliated company of the Group. As a result of the above, the following events took place on 25 January 2022:

i. The Group sold 12 vessels which were held by its subsidiary, GCC (CUE) Shipowning Pte. Ltd., to subsidiaries of Gram Car Carriers ASA. The total consideration for the transaction was US$289.4 million. Payment for the vessels was partly by cash of US$259.8 million and partly by issuance of a sellers' credit of US$29.6 million;

ii. The Group sold 2 vessels which were held by its subsidiaries, Global Adventure Pte. Ltd. and Global Bravery Pte. Ltd., to a leasing house and simultaneously novated the new leases to a subsidiary of Gram Car Carriers ASA ("New Lessee"). For each sale and lease back transaction, the Group received cash proceeds of US$35 million, which were used to repay all debt outstanding on the vessels. In addition, the Group issued a US$7.5 million sellers' credit for the implied value of each of the lease in connection with the novation of the leases to the New Lessee. The total consideration for each of the transactions was US$42.5 million; and

iii. The Group also novated 2 other leases that the Group had entered into with respective lessors to Gram Car Carriers ASA and its subsidiaries. As part of the novation of the leases, the Group received payment equal to the implied fair value of these leases, also settled partly by cash and partly by issuance of a sellers' credit.

The sellers' credit referred to above has been transferred to the Company's shareholders against a loan note whereby the shareholders owe the Company the same amount. The sellers' credit was in turn used by the shareholders to subscribe for shares in Gram Car Carriers ASA. As part of management's plan to liquidate the Group and the Company, the loan note and sellers' credit will be offset against each other and nullified.

The sale of the vessels and novation of the leases also involved Gram Car Carriers ASA and its subsidiaries taking over all assets and liabilities pertaining to the vessels as well as excess cash.

The cash proceeds received by the Group was sufficient to settle all the Group's liabilities owed under the two term loan facilities of US$257 million and US$96 million as at 31 December 2021. As at the date of these financial statements, these two loan facilities of US$257 million and US$96 million were fully settled.

1 GENERAL INFORMATION (CONT'D)

Subsequent to the end of the financial year, upon the completion of the above, management has expressed its intention to cease the operations of the Group and the Company and will commence liquidation proceedings in the second half of 2022. Accordingly, the financial statements have been prepared on a basis other than that of a going concern. Based on the above, management has deemed it to be sufficient to carry out a solvent winding down of the Group and the Company following the sale of all its vessels. Refer to Note 27 for details.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021 were authorised for issue by the Board of Directors on 6 September 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Basis other than going concern

The financial statements have been prepared on a basis other than that of going concern. This basis includes, where appropriate, writing down the Group's assets to net realisable value. The financial statements do not include any provision for the future costs except to the extent that such costs were committed at the end of the reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2021, the Group and the Company adopted the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

As at the date of authorisation of financial statements, the following amendments to FRS that are relevant to the Group and the Company and issued as at the end of the reporting period but not yet effective:

- Amendment to FRS 116: *Covid-19-Related Rent Concessions beyond 30 June 2021* (1)
- Amendments to FRS 103: *Reference to the Conceptual Framework* (2)
- Annual Improvements to FRSs 2018-2020 (2)
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current* (3)
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* (3)
- Amendments to FRS 8: *Definition of Accounting Estimates* (3)

(1) Applies to annual periods beginning on or after 1 April 2021.
(2) Applies to annual periods beginning on or after 1 January 2022.
(3) Applies to annual periods beginning on or after 1 January 2023.

Management anticipates that the adoption of the new or revised FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements in the period of their initial adoption.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF CONSOLIDATION (CONT'D)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF CONSOLIDATION (CONT'D)

Changes in the Group's ownership interests in existing subsidiaries (cont'd)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with FRS 102 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BUSINESS COMBINATIONS (CONT'D)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial assets

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet both the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial assets (cont'd)

Classification of financial assets (cont'd)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial assets (cont'd)

Measurement and recognition of expected credit losses (cont'd)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

<u>Derecognition of financial assets</u>

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

<u>Classification as debt or equity</u>

Debts and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

<u>Equity instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of direct issue costs.

Redeemable preference shares are classified as equity instruments as the holders do not have rights to demand redemption. Any redemption of the redeemable preference shares shall be at the sole discretion of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial liabilities and equity instruments (cont'd)

Redeemable Convertible Loans

The component part of redeemable convertible loans issued by the Company is classified as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a number of the Company's own equity instruments in an equity instrument.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and subsequently carried at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps and options. Further details of derivative financial instruments are disclosed in Note 14.

Derivatives are initially recognised at the fair values at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial liabilities and equity instruments (cont'd)

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of interest rate risk in cash flow hedges.

At the inception of the hedge relationship the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Note 14 contains details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other gains and losses.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL INSTRUMENTS (CONT'D)

Financial liabilities and equity instruments (cont'd)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Inventories comprise fuel oil stock after hire period and lubrication oils remaining onboard for consumption purposes, i.e. for the operation of the vessels and consumable stores. Inventories are valued at cost, determined on a weighted average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

INVESTMENTS IN SUBSIDIARIES - Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of an investment in a subsidiary, the difference between disposal proceeds and the carrying amounts of the investment is recognised in profit or loss.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment comprised PCTC vessels, renovations and office equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. PCTC vessels in construction are carried at cost less impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is computed on a straight-line basis over the respective estimated economic useful lives, taking into account any estimated residual value. The economic useful lives of the Group's newly built vessels have been estimated to be 30 years, assuming there is no significant difference in the expected useful life for the various components of the vessels except for docking costs. Costs related to docking and periodic maintenance are depreciated over the estimated time remaining until the next docking, typically every 2.5 to 5 years. Cost related to renovations and office equipment are depreciated over 5 years.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each of the end of the reporting period. The effects of any revision are accounted for on a prospective basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PROPERTY, PLANT AND EQUIPMENT (CONT'D)

On disposal of a property, plant and equipment, their cost, accumulated depreciations and accumulated impairment losses are removed from the financial statements and any gain or loss resulting from their disposal is included in profit or loss.

At the date of acquisition of a vessel, management estimates the component of the cost that corresponds to the economic benefit to be derived until the next scheduled dry-docking of the vessel, and the cost is depreciated on a straight-line basis over the remaining period to the next estimated dry-docking date.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PROVISION FOR RESTRUCTURING COSTS - A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are the amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer

<u>Charter income</u>

Time charter revenue relates to the lease of the vessels to the charterers and is recognised as services rendered over the duration of the time charter agreements and is stated net of taxes and commission paid.

Revenue from time charter is recognised in profit or loss on 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 profit and loss and taken up as deferred revenue in the statement of financial position.

<u>Interest income</u>

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

EMPLOYEE COMPENSATION

<u>Defined contribution plans</u>

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

<u>Employee leave entitlement</u>

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

LEASES

The Group as lessee

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. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

LEASES (CONT'D)

The Group as lessee (cont'd)

The Group did not make any such adjustments during the periods presented.

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.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit or loss.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its vessel under an operating lease 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NON-CURRENT 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.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

INCOME TAXES - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because its excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible.

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period, and are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

CASH AND CASH EQUIVALENTS - For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash at bank and fixed deposits which are subject to an insignificant risk of change in value.

SHARE-BASED PAYMENTS - Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 22.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

SHARE-BASED PAYMENTS (CONT'D)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

FOREIGN CURRENCY TRANSACTION AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FOREIGN CURRENCY TRANSACTION AND TRANSLATION (CONT'D)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

Management is of the opinion that, other than those disclosed in Note 1 relating to going concern, any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are disclosed below).

Key sources of estimation uncertainty

Impairment of vessels, included in property, plant and equipment and right-of-use assets

Management reviews the vessels for impairment whenever there is an indication that the carrying amount of the vessels may not be recoverable. For the impairment assessment, management groups vessels of similar capacity as a single cash generating unit as the vessels are operated as part of an integrated fleet.

Management measures the recoverability of an asset or cash generating unit by comparing its carrying amount against its recoverable amount. Recoverable amount is based on fair value less costs to sell.

As at 31 December 2021, the Management assessed the recoverable value of the vessels and recognised an impairment loss amounting to US$36,871,000 (2020 : US$12,420,000) on property, plant and equipment and US$4,002,000 (2020 : US$5,338,919) on right-of-use assets in profit or loss.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

Impairment of investments in subsidiaries

Management has carried out a review of the recoverable amount of the investments in subsidiaries having regard to the impairment indicators based on FRS 36 *Impairment of Assets*, existing performance of the subsidiaries, and the carrying value of the net tangible assets of the respective subsidiaries. Management has estimated the recoverable amount based on the fair value less cost to sell which is determined by reference to the estimated realisable values of the net tangible assets of the subsidiaries and confident that the allowance for impairment, where necessary, is adequate.

In 2021, an impairment allowance of $59,702,394 (2020 : $15,929,397) was recognised during the year in respect of the company's investments in subsidiaries based on the fair value less cost to sell which is estimated based on the net tangible asset of the subsidiaries.

The carrying amounts of the investments in subsidiaries is disclosed in Note 7.

4 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Cash at bank	15,959,911	11,570,716	2,794,995	4,950,600

Cash at bank as at 31 December 2021 includes a balance amounting to US$106,466 (2020 : US$368,826) held by OSM Ship Management Pte Ltd, a ship management service provider of the Company and Group.

Bank deposits amounting US$89,397 (2020 : US$91,759) are pledged to tax authority of Norway in relation to employee's tax payable.

For the Group's loan facilities disclosed in Note 12, the Group has to comply with a minimum cash covenant of maintaining no less than US$3,000,000 in aggregate up till 4 July 2021. After 4 July 2021, the minimum cash and cash equivalents covenant will return to the original terms of no less than US$1,000,000 for each vessel owned by the Group.

During the financial year, the Group breached a financial covenant under the US$257 million loan facility as the Group did not meet the minimum cash requirement. A suspension period was granted to the Group until 31 December 2021.

Subsequent to the end of the financial year, the suspension period had been further extended to 4 February 2022. Refer to Note 12 for further details.

5 TRADE AND OTHER RECEIVABLES AND LONG TERM RECEIVABLE

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Trade receivables	532,306	353,127	-	-
Recoverable expenses	2,912	43,515	-	1,790
Advance payment to suppliers	394,567	-	-	-
Other receivables due from subsidiaries	-	-	496,978	703,031
Other receivables	138,097	261,123	34,849	34,536
Other current assets	1,457,581	-	-	-
Sellers' credit	1,000,000	1,000,000	22,519,416	22,519,416
	3,525,463	1,657,765	23,051,243	23,258,773
Less: Current portion	(3,525,463)	(657,765)	(23,051,243)	(739,357)
Non-current portion	-	1,000,000	-	22,519,416

Sellers' credit for the Group from third-parties is unsecured and due in 1 year (2020 : 3 years) with interest rate applicable fixed at 1.25% (2020 : 1.25%) per annum.

Sellers' credit for the Company due from GCC (CUE) Shipowning Pte. Ltd., a wholly owned subsidiary of the Company is unsecured and interest free.

Other current assets refer to the transaction fees for the costs eligible to be capitalised by a subsidiary, Gram Car Carriers ASA, in connection with the private placement and initial public offering on the Euronext Growth in Oslo in January 2022. Refer to Note 27 for details.

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables is estimated by reference to past default experience of the debtor and an analysis on the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Loss allowance for all other receivables are measured at an amount equal to 12-month ECL. For the purpose of impairment assessment, all other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. The Group has determined that all other receivables are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Subsequent to the end of the financial year, the Company issued a waiver letter to waive certain amounts receivables from its subsidiary. Management has assessed this to be a non-adjusting event and has not adjusted the financial statements to account for this.

5 TRADE AND OTHER RECEIVABLES AND LONG TERM RECEIVABLE (CONT'D)

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer bases.

	Group					
	Trade receivables – days past due					
31 December 2021	Not past due	30-60 days	60-90 days	90-120 days	>120 days	Total
	US$	US$	US$	US$	US$	US$
Estimated total gross carrying amount at default	532,306	-	-	-	-	532,306
Lifetime ECL	-	-	-	-	-	-
Total	532,306	-	-	-	-	532,306

	Group					
	Trade receivables – days past due					
31 December 2020	Not past due	30-60 days	60-90 days	90-120 days	>120 days	Total
	US$	US$	US$	US$	US$	US$
Estimated total gross carrying amount at default	353,127	-	-	-	-	353,127
Lifetime ECL	-	-	-	-	-	-
Total	353,127	-	-	-	-	353,127

Management has assessed and is of the view that the trade receivables from third parties are collectible.

6 ASSETS CLASSIFIED AS HELD FOR SALE

2020

In 2020, the Group was instructed by one of the lessors to dispose one of the leased vessels by 31 August 2020, which was subsequently further extended to 2021, as a means of repaying the outstanding lease liabilities. This resulted in the recognition of an early termination penalty amounting to US$2,561,084 in 2019. A reversal of termination penalty amounting to US$202,799 was recognised in 2020.

In April 2021, the Group entered into a termination and sale agreement with the lessor. 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 US$42,669,000, which was offset against the corresponding lease liabilities. The leased vessel was classified as an asset held for sale as at 31 December 2020. Following the lease termination and sale, the lease liability directly associated with the vessel had been settled in full in 2021.

As the proceeds of disposal was lower than the net carrying amount of the leased vessel, impairment loss amounting to US$5,338,919 was recognised in the profit or loss for the financial year ended 31 December 2020 by reducing its net carrying amount to its recoverable value (Note 10).

6 ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

2021

As disclosed in Note 1, subsequent to the end of the financial year, the Group sold its vessels and novated the leases of its vessels to Gram Car Carriers ASA and its subsidiaries. The vessels and leased vessels, which have been sold within 12 months from the end of the reporting period, were classified as assets held for sale as at 31 December 2021.

As the proceeds of disposal was lower than the net carrying amount of the Group's vessels and leased vessels, impairment loss amounting to US$36,871,000 and US$4,002,000 respectively were recognised in the profit or loss for the financial year ended 31 December 2021 by reducing its net carrying amount to its recoverable value (Notes 9 and 10).

The major class of assets and liabilities comprising the disposal group classified as held for sale are as follows:

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Vessels	373,713,370	-	-	-
Leased vessels	58,368,195	42,669,000	11,349,178	-
Total assets classified as held for sale	432,081,565	42,669,000	11,349,178	-
Accrued interest expenses	(1,043,880)	-	-	-
Bank borrowings	(326,759,908)	-	-	-
Leased liabilities	(46,784,572)	(45,274,221)	(14,010,982)	-
Total liabilities directly associated with asset classified as held for sale	(374,588,360)	(45,274,221)	(14,010,982)	-
Net assets (liabilities) of disposal group	57,493,205	(2,605,221)	(2,661,804)	-

7 INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	US$	US$
Unquoted equity shares, at cost:		
Beginning of the financial year	123,200,583	123,200,583
Additional investment in subsidiaries	1,113,765	-
End of the financial year	124,314,348	123,200,583
Movement of allowance for impairment:		
Beginning of the financial year	25,762,573	9,833,176
Impairment charge	59,702,394	15,929,397
End of the financial year	85,464,967	25,762,573
Net carrying amount	38,849,381	97,438,010

7 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the Group's subsidiaries at 31 December 2021 are as follows:

Name of company	Principal activities	Place of business/ incorporation	Effective equity held	
			2021	2020
			%	%
Global Car Carriers III Ltd.	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Bermuda	75	75
Global Car Carriers IV Ltd.	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Bermuda	75	75
Global Adventure Pte. Ltd.	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Singapore	75	75
Global Bravery Pte. Ltd.	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Singapore	75	75
Global Conquest Pte. Ltd.	Operating and chartering in and out of pure car and trucks carriers (PCTC) vessels	Singapore	75	75
GCC (CUE) Shipowning Pte. Ltd.	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Singapore	100	100
Global Car Carriers Holdings Pte. Ltd.	Investment	Singapore	75	75
Gram Car Carriers Capital Ltd.	Investment	British Virgin Islands	100	100
Gram Car Carriers Management AS (formerly known as Gram Car Carriers AS)	Commercial management company	Norway	100	100
Gram Car Carriers ASA	Investment	Norway	100	-
Gram Car Carriers Shipowning AS	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Norway	100	-
Gram Car Carriers Leasing 1 AS	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Norway	100	-
Gram Car Carriers Leasing 2 AS	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Norway	100	-
Gram Car Carriers Leasing 3 AS	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Norway	100	-
Gram Car Carriers Services Pte. Ltd.	Centralised administrative office and subsidiary management offices	Singapore	100	-

7 INVESTMENTS IN SUBSIDIARIES (CONT'D)

7.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

The summarised financial information below represents amounts before intragroup elimination.

	Global Adventure Pte. Ltd.	Global Bravery Pte. Ltd.	Global Conquest Pte. Ltd	Global Car Carriers III Ltd.	Global Car Carriers IV Ltd.
	US$	US$	US$	US$	US$
2021					
Current assets	43,856,689	45,558,547	57,432	522,881	47,779,532
Non-current assets	-	1,398,519	-	-	-
Current liabilities	(35,754,610)	(35,463,558)	(10,140,142)	(445,250)	(33,950,299)
Equity attributable to owners of the Company	6,076,559	8,620,131	(7,562,032)	58,224	10,371,925
Non-controlling interests	2,025,520	2,873,377	(2,520,678)	19,407	3,457,308
Total comprehensive loss attributable to owners of the Company	(3,093,727)	(3,155,718)	(856,095)	(3,650,383)	3,108,078
Total comprehensive loss attributable to the non-controlling interests	(1,031,242)	(1,051,905)	(285,365)	(1,216,795)	1,036,026
2020					
Current assets	685,556	2,623,684	601,281	50,235,422	422,363
Non-current assets	48,009,463	49,695,670	-	-	50,968,621
Current liabilities	(2,635,316)	(2,150,884)	(9,542,531)	(45,290,613)	(8,515,651)
Non-current liabilities	(33,832,655)	(34,467,339)	-	-	(33,190,204)
Equity attributable to owners of the Company	9,170,286	11,775,849	(6,705,937)	3,708,607	7,263,847
Non-controlling interests	3,056,762	3,925,282	(2,235,313)	1,236,202	2,421,282
Total comprehensive loss attributable to owners of the Company	(2,517,272)	(584,836)	(4,656,325)	(5,864,788)	(385,823)
Total comprehensive loss attributable to the non-controlling interests	(839,091)	(194,946)	(1,552,109)	(1,954,929)	(128,608)

The summarised financial information of Global Car Carriers Holdings Pte. Ltd. is not disclosed as the non-controlling interest is deemed immaterial for financial years ended 31 December 2021 and 2020.

8 OTHER INVESTMENT

	Group	
	2021	2020
	US$	US$
Financial assets measured at FVTPL	159,000	159,000

Other investment relates to a project invested by the Company's subsidiary to acquire 1% stake of 2 PCTC vessels in 2017.

9 PROPERTY, PLANT AND EQUIPMENT

Group	PCTC vessels	Docking	Renovations	Office equipment	Total
	US$	US$	US$	US$	US$
Cost					
At 1 January 2020	662,485,762	12,172,889	88,288	9,732	674,756,671
Additions	257,870	4,083,952	-	2,249	4,344,071
At 31 December 2020	662,743,632	16,256,841	88,288	11,981	679,100,742
Additions	2,223,956	3,990,394	-	15,332	6,229,682
Reclassification to assets classified as held for sale (Note 6)	(664,967,588)	(20,247,235)	-	-	(685,214,823)
At 31 December 2021	-	-	88,288	27,313	115,601
Accumulated depreciation					
At 1 January 2020	161,078,916	8,679,478	82,402	2,872	169,843,668
Depreciation charge for the financial year	19,479,834	1,527,740	5,886	1,942	21,015,402
At 31 December 2020	180,558,750	10,207,218	88,288	4,814	190,859,070
Depreciation charge for the financial year	19,020,717	2,148,345	-	4,437	21,173,499
Reclassification to assets classified as held for sale (Note 6)	(199,579,467)	(12,355,563)	-	-	(211,935,030)
At 31 December 2021	-	-	88,288	9,251	97,539
Accumulated impairment					
At 1 January 2020	50,275,423	-	-	-	50,275,423
Impairment charge for the financial year	12,420,000	-	-	-	12,420,000
At 31 December 2020	62,695,423	-	-	-	62,695,423
Impairment charge for the financial year	36,871,000	-	-	-	36,871,000
Reclassification to assets classified as held for sale (Note 6)	(99,566,423)	-	-	-	(99,566,423)
At 31 December 2021	-	-	-	-	-
Carrying amount					
At 31 December 2021	-	-	-	18,062	18,062
At 31 December 2020	419,489,459	6,049,623	-	7,167	425,546,249

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Renovations US$
Cost	
At 1 January 2020, 31 December 2020 and 31 December 2021	88,288
Accumulated depreciation	
At 1 January 2020	82,402
Depreciation charge for the financial year	5,886
At 31 December 2020 and 31 December 2021	88,288
Carrying amount	
At 31 December 2021	-
At 31 December 2020	-

The Group's vessels are financed partly by bank borrowings (Note 12). At the end of the reporting period, the Group's operating vessels which have carrying amount of US$373,713,370 (31 December 2020 : US$425,539,082) have been charged by way of legal mortgages.

As disclosed in Note 1, subsequent to the end of the financial year, the Group sold its vessels to Gram Car Carriers ASA and its subsidiaries. The vessels, which has been sold within 12 months from the end of the reporting period, were classified as assets held for sale (Note 6) as at 31 December 2021.

As the proceeds of disposal was lower than the net carrying amount of the vessels, an impairment loss amounting to US$36,871,000 (2020 : US$12,420,000) was recognised in the profit or loss for the financial year ended 31 December 2021 by reducing its net carrying amount to its recoverable value.

10 RIGHT-OF-USE ASSETS

The Group leases 2 vessels (2020 : 2 vessels) and 2 office sites. Lease term is 2 to 6 years (2020 : 2 to 6 years).

Group	Vessels	Office leases	Total
	US$	US$	US$
Cost			
At 1 January 2020	136,691,877	1,287,046	137,978,923
Additions	46,290	-	46,290
Reclassification to assets classified as held for sale (Note 6)	(60,459,964)	-	(60,459,964)
At 31 December 2020	76,278,203	1,287,046	77,565,249
Additions	834,704	249,475	1,084,179
Reclassification to assets classified as held for sale (Note 6)	(77,112,907)	-	(77,112,907)
At 31 December 2021	-	1,536,521	1,536,521
Accumulated depreciation			
At 1 January 2020	12,994,491	317,525	13,312,016
Depreciation charge for the financial year	5,663,936	358,238	6,022,174
Reclassification to assets classified as held for sale (Note 6)	(7,742,838)	-	(7,742,838)
At 31 December 2020	10,915,589	675,763	11,591,352
Depreciation charge for the financial year	3,827,123	359,970	4,187,093
Reclassification to assets classified as held for sale (Note 6)	(14,742,712)	-	(14,742,712)
At 31 December 2021	-	1,035,733	1,035,733
Impairment			
At 1 January 2020	4,709,207	-	4,709,207
Impairment charge for the financial year	5,338,919	-	5,338,919
Reclassification to assets classified as held for sale (Note 6)	(10,048,126)	-	(10,048,126)
At 31 December 2020	-	-	-
Impairment charge for the financial year	4,002,000	-	4,002,000
Reclassification to assets classified as held for sale (Note 6)	(4,002,000)	-	(4,002,000)
At 31 December 2021	-	-	-
Carrying amount			
At 31 December 2021	-	500,788	500,788
At 31 December 2020	65,362,614	611,283	65,973,897

10 RIGHT-OF-USE ASSETS (CONT'D)

In April 2021, the Group entered into a three-party agreement with its lessor and a third party buyer for the sale of one of the PCTC vessels operated by the Group at US$42,669,000, net of 1% broker commission. The leased vessel, which had been sold within 12 months from the end of the reporting period, had been classified as an asset held for sale (Note 6) in 2020 and was presented separately on the statement of financial position.

As disclosed in Note 1, subsequent to the end of the financial year, the Group sold its leased vessels to Gram Car Carriers ASA and its subsidiaries. The leased vessels, which has been sold within 12 months from the end of the reporting period, were classified as assets held for sale (Note 6) as at 31 December 2021.

As the proceeds of disposal was lower than the net carrying amount of the leased vessels, impairment loss amounting to US$4,002,000 (2020 : US$5,338,919) was recognised in the profit or loss for the financial year ended 31 December 2021 by reducing its net carrying amount to its recoverable value.

The Company leases 1 vessel and 1 office site. Lease term is 2 to 6 years (2020 : 2 to 6 years).

Company	Vessel	Office lease	Total
	US$	US$	US$
Cost			
At 1 January 2020	15,874,886	244,280	16,119,166
Additions	46,290	-	46,290
At 31 December 2020	15,921,176	244,280	16,165,456
Additions	782,894	249,475	1,032,369
Reclassification to assets classified as held for sale (Note 6)	(16,704,070)	-	(16,704,070)
At 31 December 2021	-	493,755	493,755
Accumulated depreciation			
At 1 January 2020	1,743,206	81,426	1,824,632
Depreciation charge for the financial year	1,743,207	122,140	1,865,347
At 31 December 2020	3,486,413	203,566	3,689,979
Depreciation charge for the financial year	1,868,479	123,872	1,992,351
Reclassification to assets classified as held for sale (Note 6)	(5,354,892)	-	(5,354,892)
At 31 December 2021	-	327,438	327,438
Carrying amount			
At 31 December 2021	-	166,317	166,317
At 31 December 2020	12,434,763	40,714	12,475,477

11 TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Trade payables	1,036,462	1,745,478	85,972	-
Other payables:				
- Subsidiaries	-	-	3,045,724	309,037
- Non-related parties	2,798	2,798	2,798	2,798
Accrued expenses	11,985,563	10,384,371	5,499,152	2,841,190
Provision for restructuring costs	2,859,386	-	632,991	-
Income tax payable	4,620	23,266	1,436	23,000
	15,888,829	12,155,913	9,268,073	3,176,025
Reclassification to liabilities directly associated with assets classified as held for sale (Note 6)	(1,043,880)	-	-	-
	14,844,949	12,155,913	9,268,073	3,176,025
Analysed as:				
Current	14,844,949	9,700,395	9,268,073	720,507
Non-current	-	2,455,518	-	2,455,518
	14,844,949	12,155,913	9,268,073	3,176,025

Trade payables and other payables due to subsidiaries and non-related parties are unsecured, interest-free and repayable on demand. Included in accrued expenses are US$4,981,155 (2020 : $2,455,518) which relates to accruals of interest on redeemable convertible loans and is repayable upon conversion of the redeemable convertible loans into ordinary shares of the Company in the next 12 months (2020 : 24 months).

Subsequent to the end of the financial year, a subsidiary has issued a waiver letter to waive certain amounts payable to a subsidiary. Management has assessed this to be a non-adjusting event and has not adjusted the financial statements to account for this.

12 BANK BORROWINGS

	Group	
	2021	2020
	US$	US$
<u>Bank borrowings (secured)</u>		
- Current	263,323,135	4,413,209
- Non-current	63,436,773	327,969,584
	326,759,908	332,382,793
Reclassification to liabilities directly associated with assets classified as held for sale (Note 6)	(326,759,908)	-
	-	332,382,793

12 BANK BORROWINGS (CONT'D)

The Group has in place two term loan facilities amounting to US$257 million and US$96 million to finance the Group's fleet of PCTC vessels on both of which interest is charged at a floating rate based on 3 months LIBOR plus 300 and 285 basis points respectively (31 December 2020 : 3 months LIBOR plus 300 and 285 basis points respectively). In 2020, a 200 basis points of Payment-in-Kind ("PIK") interest is charged for the remaining loan period to both of the term loan facilities. On 24 September 2020, the 200 basis points of PIK interest under US$257 million loan facility was waived and conditional waiver was obtained for US$96 million loan facility starting from 30 March 2020 to 4 July 2021.

The effective interest rate for the Group's bank borrowings is approximately 3.1% to 3.7% (2020 : 3.8% to 4.3%).

The loans are secured by the following:

Post-delivery

a. Mortgage over vessels
b. Assignment of time charter, earnings and insurances
c. Pledge of earnings accounts
d. Floating charge over assets
e. Security in the shares of the Group's subsidiaries.

The term loan facility of US$257 million which matures on 4 January 2022 has been extended to 4 February 2022, and the term loan facility of US$96 million, which comprise of US$33.9 million and US$34.6 million (2020 : US$34.5 million and US$35.1 million) that remains outstanding as at the end of the reporting period, will mature on 26 January 2023 and 27 April 2023 respectively.

On 24 September 2020, the Group had entered into an Amendment and Waiver Agreement with its Lenders and Lessors for deferred payment arrangements in 2020 and 2021, to pay interest and/or principal when the Group earns its revenue ("Pay-As-You-Earn"), with the objective of achieving a comprehensive amendment to the secured bank loans and lease obligations, so as to maintain sufficient liquidity and cash flows for working capital. The following terms for the term loan facilities amounting to US$257 million and US$96 million have been agreed:

i) Pay-As-You-Earn scheme is valid from 30 March 2020 until the earlier of 4 July 2021 or the date of occurrence of any default event under the relevant agreements relating to the term loan facilities (the "Waiver Period");

ii) During the Waiver Period, all amounts earned by the vessels in the Group shall be applied pursuant to the stipulated cash flow waterfall on a quarterly basis. The cash flow waterfall is in the following order: Operating expenses, general and administrative expenses, drydocking costs, payments of interest due and payable, any repayment instalments due and payable, any payments due under existing hedging transactions and any excess cash to be held in the relevant earnings account for application against this waterfall in the following quarter, subject to the minimum cash threshold;

iii) No repayments will be made based on the cash flow waterfall unless there is a minimum cash balance of US$6 million in the Group to buffer for any additional operating costs and expenses, including drydocking costs, which the Group may incur;

12 BANK BORROWINGS (CONT'D)

iv) On the last day of each quarter during the Waiver Period, each of the vessel pools will issue a "Waterfall Certificate" with calculations of the waterfall, setting out relevant payments to be made to the Lenders and Lessors on a quarterly basis;

v) On the expiry of the Waiver Period, the existing interest and repayment schedule under the US$257 million and US$96 million facility agreements shall resume and any repayment instalments due but unpaid during the Waiver Period shall be repaid on the final repayment date in January 2022 for the US$257 million facility and January 2023 and April 2023 for the US$96 million facility;

vi) Any amounts of interest and repayments due but unpaid during the Waiver Period shall not be compounded but deemed as not having fallen due other than to the extent paid. The Group will enter into negotiation 3 months prior to the expiry of the Waiver Period to agree repayment terms beyond the Waiver Period for all other financing other than the term loan facility of US$96 million; and

vii) Certain amendments to the financial covenants, including minimum cash requirement reduced to US$3 million for the Group during the Waiver Period.

During the financial year, the Group breached a financial covenant under the US$257 million loan facility as the Group did not meet the minimum cash requirement as well as a mandatory prepayment clause under the US$257 million facility, which required the Group to make a prepayment of US$10 million on its US$257 million facility or sale of its vessels. A suspension period was granted to the Group until 31 December 2021.

Subsequent to the end of the financial year, the maturity date of 4 January 2022 for the US$257m facility and the suspension period and had been further extended to 4 February 2022.

As disclosed in Note 1, subsequent to the end of the financial year, the Group sold its vessels and novated the leases of its vessels to Gram Car Carriers ASA and its subsidiaries.

The cash proceeds received by the Group from the sale of the vessels and novation of the leases was sufficient to settle all the Group's liabilities owed under the two term loan facilities of US$257 million and US$96 million as at 31 December 2021. As at the date of authorisation of these financial statements, the US$257 million facility and the US$96 million facility are fully settled.

12 BANK BORROWINGS (CONT'D)

Adoption of Phase 2 amendments Interest Rate Benchmark Reform: Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform: Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates ('IBOR') to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The amendments relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying FRS 107 to accompany the amendments regarding modification and hedge accounting.

As a practical expedient, the amendments require an entity to apply FRS 109:B5.4.5, such that the change in the basis for determining the contractual cash flows is applied prospectively by revising the effective interest rate. This practical expedient only applies when the change in the basis for determining the contractual cash flows is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change). All other modifications are accounted for using current FRS requirements.

The Group uses the market rate of LIBOR with an applicable margin to benchmark interest rates for their interest-bearing loan, which are not designated in hedging relationships.

The Group is closely monitoring the market and the updates from the various industry working groups managing the transition to new benchmark interest rates.

The Group will continue to apply the amendments to FRS 109 until the uncertainty arising from the interest rate benchmark reform with respect to the timing and the amount of the underlying cash flows that the Group is exposed ends. The Group expects this uncertainty will continue until the Group's contracts that reference IBOR are amended to specify the date on which the interest rate benchmark will be replaced.

12 BANK BORROWINGS (CONT'D)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2021	Financing cash flows[i]	Interest expense	Movement in interest accruals	New lease liabilities	Other non-cash changes	Reclassification to liabilities directly associated with asset classified as held for sale	31 December 2021
	US$	US$	US$	US$	US$	US$	US$	US$
Bank borrowings	332,382,793	(18,976,480)	11,515,894	1,277,309	-	560,392	(326,759,908)	-
Accrued interest expenses	-	-	-	1,043,880	-	-	(1,043,880)	-
Lease liabilities (Note 13)	49,876,948	(5,651,328)	2,899,941	-	249,475	4,267	(46,784,572)	594,731
Liabilities directly associated with assets classified as held for sale (Note 6)	45,274,221	(2,331,000)	-	-	-	(42,943,221)	374,588,360	374,588,360

	1 January 2020	Financing cash flows[i]	Interest expense	Movement in interest accruals	Other non-cash changes	Reclassification to liabilities directly associated with asset classified as held for sale	31 December 2020
	US$	US$	US$	US$	US$	US$	US$
Bank borrowings	329,242,026	(3,837,926)	9,758,097	(3,968,540)	1,189,136	-	332,382,793
Lease liabilities (Note 13)	95,447,179	(4,096,060)	4,002,849	-	(202,799)	(45,274,221)	49,876,948
Redeemable convertible loans (Note 15)	15,000,000	7,502,146	-	-	-	-	22,502,146

(i) The cash flows make up the net amount of proceeds from bank borrowings, repayment of bank borrowings and interest paid in the consolidated statement of cash flows.

13 LEASE LIABILITIES (Group as a lessee)

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Maturity analysis:				
Year 1	18,966,903	50,200,151	14,449,820	2,711,656
Year 2	4,154,429	17,004,695	44,600	12,928,750
Year 3	4,006,774	3,909,732	-	-
Year 4	3,805,331	3,658,838	-	-
Year 5	3,671,605	3,476,729	-	-
Year 6 onwards	20,477,440	26,866,820	-	-
	55,082,482	105,116,965	14,494,420	15,640,406
Less: Unearned interest	(7,703,179)	(9,965,796)	(314,096)	(970,338)
	47,379,303	95,151,169	14,180,324	14,670,068
Reclassification to liabilities directly associated with assets classified as held for sale (Note 6)	(46,784,572)	(45,274,221)	(14,010,982)	-
	594,731	49,876,948	169,342	14,670,068
Analysed as:				
Current	550,813	3,164,966	125,424	1,897,292
Non-current	43,918	46,711,982	43,918	12,772,776
	594,731	49,876,948	169,342	14,670,068

Lease liabilities are monitored within the Group's treasury function.

The Group's and the Company's obligations under lease liabilities are secured by the lessors' title to the leased assets for such leases (Note 10).

14 DERIVATIVE FINANCIAL INSTRUMENTS

Group	Notional contract amount	Fair value	
		Assets	Liabilities
	US$	US$	US$
31 December 2021			
Interest rate options (caps):			
- Not designated in hedge accounting relationships	50,000,000	-	97,760
31 December 2020			
Interest rate options (caps):			
- Not designated in hedge accounting relationships	50,000,000	-	162,664

14 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

The Group had entered into an interest rate option agreement to hedge interest exposure in relation to the Group's borrowings.

Derivative financial instruments comprise of fair value on interest rate cap. The contracted notional principal amount of the derivative outstanding at end of the reporting period is US$50,000,000 (2020 : US$50,000,000) which will mature in July 2023. In March 2022, the interest rate option agreement was terminated.

Gain in the fair value of derivatives not designated in hedge accounting relationship amounting to US$64,904 (2020 : US$101,152) has been recognised in profit or loss for the year.

15 REDEEMABLE CONVERTIBLE LOANS

	Group and Company	
	2021	2020
	US$	US$
Beginning of the financial year	22,502,146	15,000,000
Issued during the financial year	-	7,502,146
End of financial year	22,502,146	22,502,146
Analysed as:		
Current	22,502,146	-
Non-current	-	22,502,146
	22,502,146	22,502,146

In July 2019, the Company issued US$15 million redeemable convertible loans ("RCL") with three years' term and coupon at 10% per annum. In September 2020, the Company issued additional US$7,502,146 RCL with coupon at 10% per annum.

The Company has the option of not paying the coupon, which in such event, the coupon shall be accrued and added to the outstanding RCL balance.

Any portion of the RCL shall be convertible to ordinary shares in the Company at the option of the RCL's holders within the term at conversion price of US$0.05 per ordinary share. If the Company issues, besides the RCL, new equity and/or loan instruments at a lower price, the conversion price will be adjusted accordingly.

Any portion of the RCL shall be redeemable at the option of the Company within the term, at a price equal to the conversion price. Such redemption can be in cash or in ordinary shares of the Company at the option of the RCL's holders.

However, under the US$257 million senior loan facility and US$96 million loan facility as amended, the Company and the RCL's holders have entered into subordination agreements in favour of the lenders, which require no cash payments be made before the discharge of debt from each of the facility, unless the cash payment is permitted by the lenders or the payment is not in cash and is being made by way of issuance of ordinary shares.

In January 2022, all redeemable convertible loans were converted into ordinary shares of the Company at conversion price of US$0.05 per ordinary share.

16 PROVISION

	Group and Company	
	2021	2020
	US$	US$
Beginning of the financial year	566,667	566,667
Reversal during the year	(566,667)	-
End of the financial year	-	566,667

The provision refers to drydocking costs which the Group and the Company are required to incur for the bareboat vessel chartered during the year. The provision has been estimated based on replacement cost. The vessel has completed its drydocking as scheduled in 2021, hence provision has been reversed.

17 SHARE CAPITAL

	Group and Company			
	2021		2020	
Issued and fully paid:	Number of ordinary shares	US$	Number of ordinary shares	US$
Beginning and end of financial year	291,548,926	230,791,059	291,548,926	230,791,059
	Number of redeemable preference shares	US$	Number of redeemable preference shares	US$
Issued and partly paid:				
Beginning and end of financial year	1,042,027	1,042,027	1,042,027	1,042,027

Ordinary shares

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

17 SHARE CAPITAL (CONT'D)

Redeemable preference shares

In 2016, the Company issued 10 million redeemable preference shares.

Redeemable preference shares carry one vote per share and carry a right to dividends of the Company.

Payment of dividends on the redeemable preference shares shall be in priority to the dividend payable on the ordinary shares in the capital of the Company. No ordinary dividend can be paid before the preferred dividend has been covered.

After the redeemable preference shares were fully paid-up in 2017, the Company redeemed 8,957,973 shares (amounting to US$8,957,973) by issuing 23,537,686 ordinary shares at US$0.38058 per share together with the grant of 23,537,686 warrants to the respective shareholders. All warrants have expired in 2020.

In January 2022, the Company redeemed all preference shares by issuing ordinary shares of the Company at US$0.05 per share.

18 TRANSLATION RESERVE AND SHARE OPTIONS RESERVE

Translation reserve

Exchange differences relating to the translations from the functional currencies of the Group's foreign subsidiaries into United States dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of translation reserves.

Movement in translation reserve

	Group	
	2021	2020
	US$	US$
Beginning of the financial year	121,103	14,004
Changes during the financial year in other comprehensive income	(46,849)	107,099
End of the financial year	74,254	121,103

Share options reserve

The share options reserve arises on the grant of share options to the Chief Executive Officer ("CEO") of a subsidiary of the Company under the employee share option plan. Further information about share-based payments to the CEO is set in Note 22.

19 OPERATING REVENUE

	Group	
	2021	2020
	US$	US$
Charter income (over time)	76,098,828	45,830,265

20 OTHER INCOME

	Group	
	2021	2020
	US$	US$
Other income from the Norwegian Shipowners' Mutual War Risk Insurance Association [(1)]	1,930,277	-
Fair value gain on derivative financial instruments	64,904	101,152
Guarantee fee earned from non-controlling shareholders	-	227,563
Interest income	175	18,787
	1,995,356	347,502

[(1)] In 2021, the Group received income of US$1,930,277 from the Norwegian Shipowners' Mutual War Risks Insurance Association ("DNK"), which provides war risk insurance to its members. The payout is part of DNK's US$300 million equity distribution to its members, which is distributed pro rata to the premium payment of its individual members over the past 10 years.

21 INTEREST EXPENSE

	Group	
	2021	2020
	US$	US$
Interest expense on borrowings	11,515,894	9,758,097
Interest expense on lease liabilities	2,899,941	4,002,849
Interest expense on redeemable convertible loans	2,525,637	1,784,684
	16,941,472	15,545,630

22 EMPLOYEE COMPENSATION

(a) Included in staff costs are:

	Group	
	2021	2020
	US$	US$
Wages, salaries and bonuses	4,572,018	2,370,988
Employer's contribution to defined contribution plans including Central Provident Fund	125,514	118,592
Share-based payments	370,644	-
Other benefits	339,695	313,298
	5,407,871	2,802,878

22 EMPLOYEE COMPENSATION (CONT'D)

(b) Share-based payments

Equity-settled share option scheme

In 2020, the Company implemented a share option scheme for the CEO of a subsidiary of the Company. Options are exercisable at US$0.00001 in various tranches. The vesting date of the first tranche and adjustment tranche(s) is on 30 September 2020 and the date(s) when the US$15 million redeemable convertible loan ("RCL") is converted or repaid in part or in full, respectively. If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited if the CEO leaves the Company before the options vest.

The number of options vesting for the first tranche is the number to adjust for RCLs exercised and equity changes, up to a maximum of 5,159,000, ensuring an ownership of 2.01% on a fully diluted basis. The number of options vesting for the adjustment tranche(s) is the number ensuring an ownership of 2.01% taking into account regular shares, Redeemable Preference Shares and US$15 million RCL on a fully diluted basis.

In 2022, the CEO has exercised his options to take up 7,412,875 ordinary shares in the Company.

23 INCOME TAX EXPENSE/(CREDIT)

Income tax recognised in profit or loss

	Group	
	2021	2020
	US$	US$
Tax (credit)/expense comprises:		
Current tax expense	4,620	23,000
Adjustments recognised in the current year in relation to the current tax in prior years	1,598	(104,468)
Total tax expense/(credit)	6,218	(81,468)

Domestic income tax is calculated at 17% (2020 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing the relevant jurisdictions.

The Group's income derived from the operation of its fleet of PCTC vessels is exempted from income tax under Section 13A of the Singapore Income Tax Act.

Income arise from other activities do not enjoy the above-mentioned income tax exemption. The incomes of the other companies in the Group are subject to the relevant income tax laws and regulations in the respective countries in which they operate.

23 INCOME TAX EXPENSE/(CREDIT) (CONT'D)

The total charge for the year can be reconciled to the accounting loss as follows:

	Group	
	2021	2020
	US$	US$
Loss before tax	(48,339,695)	(53,090,305)
Income tax benefit calculated at 17% (2020 : 17%)	(8,217,748)	(9,025,352)
Effect of expenses that are not deductible in determining taxable profit, net	8,222,368	9,048,352
	4,620	23,000
Adjustments recognised in the current year in relation to the current tax in prior years	1,598	(104,468)
Income tax expense/(credit) recognised in profit or loss	6,218	(81,468)

24 OPERATING LEASE ARRANGMENTS

Operating lease commitments – where the Group is a lessor:

The Group has entered into non-cancellable time charter agreements under which its vessels are chartered by third parties.

At the end of the reporting period, the maturity analysis of operating lease payments are as follows:

	Group	
	2021	2020
	US$	US$
Year 1	78,526,050	54,845,200
Year 2	29,118,250	32,821,700
Year 3	4,471,450	11,271,500
Total	112,115,750	98,938,400

As disclosed in Note 1, subsequent to the end of the financial year, the Group and the Company sold and/or novated its leases of all its vessels to Gram Car Carriers ASA and its subsidiaries.

Operating lease commitments – where the Group is a lessee:

At 31 December 2021 and 2020, the Group is not committed to short-term leases.

25 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales, purchases, cost incurred and expenses

	Group	
	2021	2020
	US$	US$
Professional fees paid to a firm in which a director has a financial interest	-	4,783

Related parties mean entities where the shareholders have significant influence or control. The related party balances are unsecured, repayable on demand and interest-free.

(b) Key management personnel compensation

Key management personnel compensation represents compensation paid to Directors are as follows:

	Group	
	2021	2020
	US$	US$
Directors' fee	204,500	183,144

26 FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Financial assets				
Financial assets at amortised cost	19,090,807	13,228,481	25,846,238	28,209,373
Financial assets at FVTPL	159,000	159,000	-	-
Financial liabilities				
Financial liabilities at amortised cost	34,483,089	367,017,586	31,135,792	25,655,171
Lease liabilities	594,731	49,876,948	169,342	14,670,068
Financial liabilities at FVTPL	97,760	162,664	-	-

26 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Management team then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel. There has been no change to the Group's exposure to these financial risks or the manner in which it manages the risk.

The finance personnel measure actual exposures against the limits set and prepare regular reporting for the review of the management team and the Board of Directors. The information below is based on information received by key management.

(i) <u>Market risk</u>

Currency risk

The Group has no significant concentration of currency risk since the commercial transactions are primarily in United States dollar which is the Company's and subsidiaries' functional currency.

Interest rate risk

The Group is exposed to significant interest rate risks arising from its floating rate bank borrowings. The Group's policy is to mitigate a substantial portion of this exposure by entering into interest rate swap and/or option agreements.

The Group's bank borrowings at variable rates are denominated mainly in United States dollar. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At 31 December 2021, if the United States dollar interest rates had increased/ decreased by 0.5% (2020 : 0.5%) with all other variables including tax rate being held constant, the loss after tax for the year would have been higher/lower by US$1,605,613 (2020 : US$1,628,816) as a result of higher/lower interest expense on these borrowings.

(ii) <u>Credit risk</u>

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2021, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

26 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(ii) Credit risk (cont'd)

In order to minimise credit risk, the Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Credit risk is limited to the risk arising from the inability of a debtor to meet payment when due. It is the Group's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses as at the end of reporting period.

The carrying amounts of cash and bank balances and trade and other receivables represent the Group's maximum exposure to credit risk. No other financial asset carrying a significant exposure to credit risk. Cash at bank is placed with reputable financial institutions.

As at the end of the reporting period, the Group had no charter hire receivables past due and/ or impaired.

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets presented on the statement of financial position, including:

	Company	
	2021	2020
	US$	US$
Corporate guarantees provided to banks on subsidiaries' loan	349,624,982	404,064,472

26 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Liquidity risk

The Group monitors its liquidity risk and maintains a level of bank balances deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Short-term funding is obtained from short-term bank loans and shareholders' loans. As at 31 December 2021, the Group's current assets exceeded its current liabilities by US$38,105,127 and the Company's current liabilities exceeded its current assets by US$8,737,040. As at 31 December 2020, the Group's current liabilities exceeded its current assets by US$6,209,773 and the Company's current assets exceeded its current liabilities by US$2,864,572.

All of the Group's and the Company's financial liabilities in 2021 are repayable on demand or due within one year from the end of the reporting period, except for lease liabilities as disclosed in Note 13.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Trade and other payables	Borrowings	Total
	US$	US$	US$
Group			
31 December 2020			
On demand or within 1 year	9,700,395	13,440,230	23,140,625
Within 2 to 5 years	2,625,332	333,916,015	336,541,347
Adjustment	(169,814)	(14,973,452)	(15,143,266)
Total	12,155,913	332,382,793	344,538,706
Company			
31 December 2020			
On demand or within 1 year	720,507	-	720,507
Within 2 to 5 years	2,625,332	-	2,625,332
Adjustment	(169,814)	-	(169,814)
Total	3,176,025	-	3,176,025

The liquidity analysis for lease liabilities and derivative instruments for the Company and the Group are disclosed in Notes 13 and 14 respectively.

As disclosed in Note 1, the cash proceeds received by the Group from the sale of the vessels and novation of the leases was sufficient to settle all the Group's liabilities owed under the two term loan facilities of US$257 million and US$96 million as at 31 December 2021. As at the date of authorisation of these financial statements, the US$257 million facility and the US$96 million facility are fully settled.

26 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Liquidity risk (cont'd)

As disclosed in Note 1, subsequent to the end of the financial year, management has expressed its intention to cease the operations of the Group and the Company and will commence liquidation proceedings in the second half of 2022. Based on the above, management has deemed it to be sufficient to carry out a solvent winding down of the Group and the Company following the sale of all its vessels. Accordingly, the financial statements have been prepared on a basis other than that of a going concern.

(c) Capital management policies and objectives

The Group's objectives when managing capital are to ensure that the Group is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary to ensure that the Group will be able to continue as a going concern and to ensure all externally imposed financial covenants are met.

The management's strategy remained unchanged from 2020.

The capital structure of the Group consists of bank borrowings, lease liabilities and redeemable convertible loans disclosed in Notes 12, 13 and 15 respectively after deducting cash and cash equivalents) and equity of the Group, comprising issued capital, retained earnings, redeemable preference shares and reserves.

The Board of Directors monitors capital based on gearing ratio. Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as bank borrowings, lease liabilities, redeemable convertible loans, provision, derivative financial instruments and trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group	
	2021	2020
	US$	US$
Net debt	396,668,035	451,350,636
Total equity	38,739,059	86,667,479
Total capital	435,407,094	538,018,115
Gearing ratio	91%	84%

The Group has to comply with a minimum cash and cash equivalents covenant of maintaining no less than US$3,000,000 in aggregate up till 4 July 2021. After 4 July 2021, the minimum cash and cash equivalents covenant will return to the original terms of no less than US$1,000,000 for each vessel owned by the Group.

During the financial year, the Group breached a financial covenant under the US$257 million loan facility as the Group did not meet the minimum cash requirement as well as a mandatory prepayment clause under the US$257 million facility, which required the Group to make a prepayment of US$10 million on its US$257 million facility or sale of its vessels. A suspension period was granted to the Group until 31 December 2021.

26 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Capital management policies and objectives (cont'd)

Subsequent to the end of the financial year, the suspension period had been further extended to 4 February 2022. Refer to Note 12 for further details.

As disclosed in Note 1, the cash proceeds received by the Group from the sale of the vessels and novation of the leases was sufficient to settle all the Group's liabilities owed under the two term loan facilities of US$257 million and US$96 million as at 31 December 2021. As at the date of authorisation of these financial statements, the US$257 million facility and the US$96 million facility are fully settled.

Subsequent to the end of the financial year, management has expressed its intention to cease the operations of the Group and the Company and will commence liquidation proceedings in the second half of 2022. Based on the above, management has deemed it to be sufficient to carry out a solvent winding down of the Group and the Company following the sale of all its vessels. The financial statements have been prepared on a basis other than that of a going concern.

(d) Fair value measurements

The following table presents financial liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
31 December 2021				
Derivative financial instruments	-	(97,760)	-	(97,760)
31 December 2020				
Derivative financial instruments	-	(162,664)	-	(162,664)

The fair values of the Group's derivative financial instruments are determined using quoted market rates at the end of the reporting period. These instruments are included in Level 2.

The carrying value of current receivables, payables and lease liabilities are assumed to approximate their fair values. The fair value of non-current borrowings is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of current borrowings approximates their carrying amount.

27 EVENTS AFTER REPORTING PERIOD

In January 2022, the Group completed its fund-raising by a newly incorporated group in Norway, Gram Car Carriers ASA and its subsidiaries, through issuance of shares to new equity investors in a private placement ("Equity Fund-raising") and subsequent listing of Gram Car Carriers ASA on the Euronext Growth in Oslo. Gram Car Carriers ASA and its subsidiaries had also successfully entered into a US$222 million loan facility. Prior to the completion of the Equity Fund-raising, Gram Car Carriers ASA was a wholly owned subsidiary of the Company. At the date of these financial statements, Gram Car Carriers ASA is an affiliated company of the Group. As a result of the above, the following events took place on 25 January 2022:

i. The Group sold 12 vessels which were held by its subsidiary, GCC (CUE) Shipowning Pte. Ltd., to subsidiaries of Gram Car Carriers ASA. The total consideration for the transaction was US$289.4 million. Payment for the vessels was partly by cash of US$259.8 million and partly by issuance of a sellers' credit of US$29.6 million;

ii. The Group sold 2 vessels which were held by its subsidiaries, Global Adventure Pte. Ltd. and Global Bravery Pte. Ltd., to a leasing house and simultaneously novated the new leases to a subsidiary of Gram Car Carriers ASA ("New Lessee"). For each sale and lease back transaction, the Group received cash proceeds of US$35 million, which were used to repay all debt outstanding on the vessels. In addition, the Group issued a US$7.5 million sellers' credit for the implied value of each of the lease in connection with the novation of the leases to the New Lessee. The total consideration for each of the transactions was US$42.5 million; and

iii. The Group also novated 2 other leases that the Group had entered into with respective lessors to Gram Car Carriers ASA and its subsidiaries. As part of the novation of the leases, the Group received payment equal to the implied fair value of these leases, also settled partly by cash and partly by issuance of a sellers' credit.

The sellers' credit referred to above has been transferred to the Company's shareholders against a loan note whereby the shareholders owe the Company the same amount. The sellers' credit was in turn used by the shareholders to subscribe for shares in Gram Car Carriers ASA. As part of management's plan to liquidate the Group and the Company, the loan note and sellers' credit will be offset against each other and nullified

The sale of the vessels and novation of the leases also involved Gram Car Carriers ASA and its subsidiaries taking over all assets and liabilities pertaining to the vessels as well as excess cash.

The cash payment received by the Group was sufficient to settle all the Group's liabilities owed under the two term loan facilities of US$257 million and US$96 million as at 31 December 2021. As at the date of these financial statements, these two loan facilities of US$257 million and US$96 million were fully settled.

Subsequent to the end of the financial year, upon the completion of the above, management has expressed its intention to cease the operations of the Group and the Company and will commence liquidation proceedings in the second half of 2022. Accordingly, the financial statements have been prepared on a basis other than that of a going concern. Based on the above, management has deemed it to be sufficient to carry out a solvent winding down of the Group and the Company following the sale of all its vessels.

APPENDIX C – Former Group Financial Statements for 2020

GRAM CAR CARRIERS HOLDINGS PTE. LTD.
AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)
(Company Registration Number 200808574D)

DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

DIRECTORS' STATEMENT

The Directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2020.

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 8 to 63 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Stephen Woodruff Fordham	
Erik Andreas Lind	
Alasdair James Dougall Locke	
Belle Heloise Claire de Bruin	
Harald Mathias Gram	
Philip Clausius	(Appointed on 25 September 2020)
Cornelis Arie Jacob de Bruin	(Appointed as an alternate director to Belle Heloise Claire de Bruin on 21 November 2020)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of Directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act except as follows:

Name of Directors and Company in which interests are held	**Shareholdings registered in name of Director**		**Shareholdings in which Directors are deemed to have an interest**	
Gram Car Carriers Holdings Pte. Ltd. (Ordinary shares)	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
Harald Mathias Gram	-	-	57,788,296	57,788,296
Alasdair James Dougall Locke	-	-	43,181,809	43,181,809
Belle Heloise Claire de Bruin	-	-	22,356,884	22,356,884

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

In 2020, the Company implemented a share option scheme for the Chief Executive Officer ("CEO") of a subsidiary of the Company. The scheme is administered by the Remuneration Committee. Options are exercisable at US$0.00001 in various tranches. The vesting date of the first tranche and adjustment tranche(s) is on 30 September 2020 and the date(s) when the US$15 million redeemable convertible loan ("RCL") is converted or repaid in part or in full, respectively. If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited if the CEO leaves the company before the options vest.

The number of options vesting for the first tranche is the number to adjust for RCLs exercised and equity changes, up to a maximum of 5,159,000, ensuring an ownership of 2.01% on a fully diluted basis. The number of options vesting for the adjustment tranche(s) is the number ensuring an ownership of 2.01% taking into account regular shares, Redeemable Preference Shares and US$15 million RCL on a fully diluted basis.

(b) *Options exercised*

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company under option.

5 AUDITORS

The auditors, Deloitte and Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Directors,

....
Harald Mathias Gram
Director

....
Stephen Woodruff Fordham
Director

27 October 2021
Singapore

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GRAM CAR CARRIERS HOLDINGS PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gram Car Carriers Holdings Pte. Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 63.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As disclosed in Note 1 to the accompanying financial statements, as at 31 December 2020, the Group is in a net current liability position of US$6,209,773 and recorded a loss of US$53,008,837 for the year then ended. As at 31 December 2020, the Group has bank borrowings of US$332,382,793, lease liabilities of US$49,876,948, and cash balance of US$11,570,716. Subsequent to the end of the financial year, the Group has breached a financial covenant under the US$257 million loan facility as the Group has not met the minimum cash requirement as well as a mandatory prepayment clause under the US$257 million facility, which requires the Group to make a prepayment of US$10 million on its US$257 million facility.

As at the date of this report, the Group has successfully obtained a waiver of the financial covenants and mandatory prepayment of US$10 million until 30 November 2021 ("Waiver Period"), to enable the Group to refinance its existing loan facilities.

Material Uncertainty Related to Going Concern (Cont'd)

The Group is embarking on the following plans to settle and refinance its current loan obligations:

i. Fund-raising of approximately US$100 million by a newly incorporated group ("NewCo") in Norway through issuance of shares to new equity investors ("Equity Fund-raising") by 30 November 2021, and NewCo obtaining a new loan facility of up to US$180 million from new lenders by 30 November 2021. As at the date of this report, the due diligence work for the Equity Fund-raising is in progress, and credit committee approvals and commitment letter have been obtained from the new lenders for the new loan facility of up to US$180 million. One of the condition precedent for the new loan facility is the successful Equity Fund-raising by 30 November 2021.

   The above arrangement entails the transfer of all of the vessels owned by the Group, except for two of its vessels as mentioned in item (ii) below, to the NewCo at market value at the date of transfer. The proceeds from the Equity Fund-raising and new loan facility by NewCo will be used as purchase consideration for the transfer of the vessels in the Group to the NewCo, therefore allowing the Group to have the funds available to repay its existing US$257 million loan facility to the Lenders by 30 November 2021.

ii. Successful negotiation with a new financier on sales and leaseback arrangement for two of its vessels in order to repay its US$96 million loan facility. As at the date of this report, a non-binding term sheet has been signed and the new financier is pending credit committee approval. The Group plans to novate the sales and leaseback arrangement to the NewCo if item (i) materializes and the novation is subject to the approval of the financier and lessee.

   Upon the successful completion of the events set out in items (i) and (ii) above, management intends to liquidate the Group.

iii. In the event that the Equity Fund-raising and new loan facility arrangement is not successful, as mentioned in item (i) above, the Group will seek alternative financing arrangements and/or sales of certain vessels with the consent from the existing Lenders, to raise sufficient funds to repay its existing loan facilities and continue its operations.

   The Group's management has prepared a cash flow forecast up till October 2022. The projected cash flows are based on assumed charter rates, utilisation and operating expenditure. On the basis of these assumptions, management is of the view that the Group will have sufficient working capital and financial resources to meet obligations as and when they fall due for the next twelve months from the date of authorisation of these financial statements.

Accordingly, the Group's ability to continue as a going concern for at least 12 months from the date of this report is highly dependent on the outcome of the above plans. These matters, along with other matters as set forth in Note 1 to the accompanying financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on pages 1 to 3.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using 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.

The Directors' responsibilities include overseeing the Group's financial reporting process.

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 SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Public Accountants and
Chartered Accountants
Singapore

27 October 2021

Deloitte.

Attachment 1

Notice of the Auditor

1. Deloitte & Touche LLP ("the Auditor"), the auditor of Gram Car Carriers Holdings Pte. Ltd. ("the Company"), has, on certain conditions, allowed limited disclosures of its audit reports on the financial statements of the Company and its Singapore subsidiary corporations (collectively, the “Group”) for the financial years ended 31 December 2019 and 31 December 2020 (“audit reports”).

2. The Auditor’s audit reports on the financial statements were prepared solely for the Company and for the purpose of fulfilling the Auditor’s duties as statutory auditors of the Group and for no other purpose. The audit reports should not be referred to in any document or distributed to any other party without the Auditor’s prior written consent.

3. The limited disclosures have been consented to by the Auditor on the basis that (i) the Auditor’s audit reports and the information in them should not be treated as sufficient, complete, adequate or suitable for the purposes of any other party as items of possible interest to any other party may not have been specifically addressed; and (ii) the Auditor, its partners, principals, and employees have no responsibility for any decision of any other party nor any responsibility to advise or consult with any other party regarding possible use of the audit reports in connection with any decisions, and the Auditor specifically disclaims its association with any such decisions. The Auditor, its partners, principals, and employees have no responsibility for the assessment, advice or other statement made by any other party or for any decision of any other party nor any responsibility to advise or consult with any other party regarding the possible use of our audit reports in connection with any assessment, advice, statements or decisions, and the Auditor specifically disclaims its association with any such assessment, advice, statement or decisions.

4. To the fullest extent permitted by law, the Auditor, its partners, principals and employees neither owe nor accept any duty (whether in contract or in tort or howsoever arising, including without limitation, negligence and breach of statutory duty) nor assume any responsibility to the Group or any other party in respect of any loss, damage or expense of whatsoever nature arising from any other party’s use of and reliance on the audit reports. If any other party wishes to rely upon the audit reports, they do so entirely at their own risk.

5. For the avoidance of doubt, the reference to “any other party” in this Notice includes without limitation, Gram Car Carriers ASA and/or its related entities and affiliates, existing and/or potential investors in the Company, Gram Car Carriers ASA and/or their related entities and affiliates, existing and/or potential lenders to the Company, Gram Car Carriers ASA and/or their related entities and affiliates, the Oslo Stock Exchange, any person or entity who accesses the audit reports on Gram Car Carriers ASA’s website and/or via Gram Car Carriers ASA’s announcement on the Oslo Stock Exchange.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2020

	Note	Group		Company	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		US$	US$	US$	US$
ASSETS					
Current assets					
Cash and cash equivalents	4	11,570,716	10,467,541	4,950,600	1,066,856
Trade and other receivables	5	657,765	525,971	739,357	17,036
Prepayments		616,826	779,820	59,550	70,340
Inventories		2,633,170	2,045,037	299,531	145,246
		15,478,477	13,818,369	6,049,038	1,299,478
Asset classified as held for sale	6	42,669,000	-	-	-
		58,147,477	13,818,369	6,049,038	1,299,478
Non-current assets					
Long term receivable	5	1,000,000	1,000,000	22,519,416	19,306,754
Investments in subsidiaries	7	-	-	97,438,010	113,367,407
Other investment	8	159,000	159,000	-	-
Property, plant and equipment	9	425,546,249	454,637,580	-	5,886
Right-of-use assets	10	65,973,897	119,957,700	12,475,477	14,294,534
Goodwill	11	-	-	-	-
		492,679,146	575,754,280	132,432,903	146,974,581
Total assets		550,826,623	589,572,649	138,481,941	148,274,059
LIABILITIES					
Current liabilities					
Trade and other payables	12	9,700,395	6,302,593	720,507	1,502,827
Bank borrowings	13	4,413,209	8,188,918	-	-
Lease liabilities	14	3,164,966	49,341,148	1,897,292	1,824,647
Deferred revenue		1,237,792	2,296,120	-	89,794
Provision	17	566,667	566,667	566,667	566,667
		19,083,029	66,695,446	3,184,466	3,983,935
Liabilities directly associated with asset classified as held for sale	6	45,274,221	-	-	-
		64,357,250	66,695,446	3,184,466	3,983,935
Non-current liabilities					
Redeemable convertible loans	16	22,502,146	15,000,000	22,502,146	15,000,000
Other payables	12	2,455,518	670,833	2,455,518	670,833
Bank borrowings	13	327,969,584	321,053,108	-	-
Lease liabilities	14	46,711,982	46,106,031	12,772,776	12,507,144
Derivative financial instruments	15	162,664	263,816	-	-
		399,801,894	383,093,788	37,730,440	28,177,977
Total liabilities		464,159,144	449,789,234	40,914,906	32,161,912
NET ASSETS		86,667,479	139,783,415	97,567,035	116,112,147
EQUITY					
Share capital	18	230,791,059	230,791,059	230,791,059	230,791,059
Redeemable preference shares	18	1,042,027	1,042,027	1,042,027	1,042,027
Hedging reserve	19	-	-	-	-
Translation reserve	20	(121,103)	(14,004)	-	-
Accumulated losses		(158,759,681)	(108,950,038)	(134,266,051)	(115,720,939)
Equity attributable to owners of the Company		72,952,302	122,869,044	97,567,035	116,112,147
Non-controlling interests		13,715,177	16,914,371	-	-
Total equity		86,667,479	139,783,415	97,567,035	116,112,147

The accompanying notes form an integral part of these financial statements.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 December 2020

		Group	
	Note	2020	2019
		US$	US$
Operating revenue	21	45,830,265	69,862,477
Other income	22	347,502	111,689
Operating expenses:			
- Vessels operating		(33,337,420)	(35,966,327)
- Depreciation on property, plant and equipment	9	(21,015,402)	(22,116,015)
- Depreciation on right-of-use assets	10	(6,022,174)	(5,981,458)
- Interest expense	23	(15,545,630)	(28,954,292)
- Impairment of property, plant and equipment	9	(12,420,000)	-
- Impairment of right-of-use asset	10	(5,338,919)	(4,709,207)
- Impairment of goodwill	11	-	(10,817,349)
- Reversal of/(Termination penalty on lease)	6	202,799	(2,561,084)
- Amortisation of loan fees		(1,189,136)	(1,144,063)
- Employee compensation	24	(2,802,878)	(3,907,675)
- Legal and professional fees		(1,271,234)	(2,311,633)
- Travelling		(68,187)	(291,362)
- Rental operating lease		-	(35,898)
- Directors' fee	27	(183,144)	(115,000)
- Bank charges		(90,112)	(150,764)
- Others		(186,635)	(307,796)
Total operating expenses		(99,268,072)	(119,369,923)
Loss before income tax		(53,090,305)	(49,395,757)
Income tax credit/(expense)	25	81,468	(189,763)
Loss for the year		(53,008,837)	(49,585,520)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	19	-	193,675
Exchange differences on translation of foreign operations	20	(107,099)	(32,163)
Other comprehensive (loss)/income for the year, net of tax		(107,099)	161,512
Total comprehensive loss for the year		(53,115,936)	(49,424,008)

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONT'D) AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 December 2020

	Group	
	2020	2019
	US$	US$
Loss attributable to:		
Owners of the Company	(49,809,643)	(46,901,795)
Non-controlling interests	(3,199,194)	(2,683,725)
	(53,008,837)	(49,585,520)
Total comprehensive loss attributable to:		
Owners of the Company	(49,916,742)	(46,740,283)
Non-controlling interests	(3,199,194)	(2,683,725)
	(53,115,936)	(49,424,008)

The accompanying notes form an integral part of these financial statements.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2020

Group	Note	Share capital	Redeemable preference shares	Hedging reserve	Translation reserve	Accumulated losses	Attributable to equity holders of the Company	Non-controlling interests	Total equity
		US$	US$	US$	US$	US$	US$	US$	US$
As at 1 January 2019		230,791,059	1,042,027	(193,675)	18,159	(62,048,243)	169,609,327	19,598,046	189,207,373
Transactions with owners, recognised directly in equity									
Non-controlling interest arising from additional investment in subsidiaries	7	-	-	-	-	-	-	50	50
Total comprehensive (loss)/income for the year									
Loss for the year		-	-	-	-	(46,901,795)	(46,901,795)	(2,683,725)	(49,585,520)
Other comprehensive income/(loss) for the year	19, 20	-	-	193,675	(32,163)	-	161,512	-	161,512
		-	-	193,675	(32,163)	(46,901,795)	(46,740,283)	(2,683,725)	(49,424,008)
As at 31 December 2019		230,791,059	1,042,027	-	(14,004)	(108,950,038)	122,869,044	16,914,371	139,783,415
Total comprehensive loss for the year									
Loss for the year		-	-	-	-	(49,809,643)	(49,809,643)	(3,199,194)	(53,008,837)
Other comprehensive loss for the year	19, 20	-	-	-	(107,099)	-	(107,099)	-	(107,099)
		-	-	-	(107,099)	(49,809,643)	(49,916,742)	(3,199,194)	(53,115,936)
As at 31 December 2020		230,791,059	1,042,027	-	(121,103)	(158,759,681)	72,952,302	13,715,177	86,667,479

The accompanying notes form an integral part of these financial statements.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2020

Company	Note	Share capital	Redeemable preference shares	Hedging reserve	Accumulated losses	Total equity
		US$	US$	US$	US$	US$
As at 1 January 2019		230,791,059	1,042,027	(193,675)	(80,609,375)	151,030,036
Total comprehensive (loss)/income for the year						
Loss for the year		-	-	-	(35,111,564)	(35,111,564)
Other comprehensive income for the year		-	-	193,675	-	193,675
		-	-	193,675	(35,111,564)	(34,917,889)
As at 31 December 2019		230,791,059	1,042,027	-	(115,720,939)	116,112,147
Loss for the year, representing total comprehensive loss for the year		-	-	-	(18,545,112)	(18,545,112)
As at 31 December 2020		230,791,059	1,042,027	-	(134,266,051)	97,567,035

The accompanying notes form an integral part of these financial statements.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2020

	Note	Group	
		2020	2019
		US$	US$
Operating activities			
Loss before income tax		(53,090,305)	(49,395,757)
Adjustments for:			
- Depreciation on property, plant and equipment	9	21,015,402	22,116,015
- Depreciation on right-of-use assets	10	6,022,174	5,981,458
- Interest expense	23	15,545,630	28,954,292
- Net fair value (gain)/loss on derivative financial instruments	22	(101,152)	230,573
- Amortisation of loan fees		1,189,136	1,144,063
- Impairment of property, plant and equipment	9	12,420,000	-
- Impairment of right-of-use asset	10	5,338,919	4,709,207
- Impairment of goodwill	11	-	10,817,349
- (Reversal of)/Termination penalty on lease	6	(202,799)	2,561,084
- Interest income	22	(18,787)	(135,650)
		8,118,218	26,982,634
Changes in working capital:			
- Trade and other receivables		(131,794)	16,931
- Prepayments		162,994	325,723
- Inventories		(588,133)	1,140,723
- Trade and other payables		(433,840)	4,231,841
- Deferred revenue		(1,058,328)	944,777
Cash flows from operations		6,069,117	33,642,629
Tax paid		(55,429)	(97,331)
Interest income		18,787	135,650
Net cash flows from operating activities		6,032,475	33,680,948
Investing activities			
Purchase of property, plant and equipment	9	(4,344,071)	(1,749,780)
Purchase of right-of-use assets	10	(46,290)	-
Net cash flow used in investing activities		(4,390,361)	(1,749,780)
Financing activities			
Proceeds from issuance of redeemable convertible loans	16	7,502,146	15,000,000
Proceeds from bank borrowings		-	257,151,206
Repayment of bank borrowings		(1,887,853)	(265,658,873)
Repayment of lease liabilities		(1,860,898)	(7,222,539)
Interest paid		(4,185,235)	(29,191,305)
Net cash flows used in financing activities		(431,840)	(29,921,511)
Net increase in cash and cash equivalents		1,210,274	2,009,657
Cash and cash equivalents at beginning of financial year		10,467,541	8,490,047
Effect of foreign exchange rate changes on cash and cash equivalents	20	(107,099)	(32,163)
Cash and cash equivalents at end of financial year	4	11,570,716	10,467,541

The accompanying notes form an integral part of these financial statements.

1 GENERAL INFORMATION

Gram Car Carriers Holdings Pte. Ltd. (Registration Number 200808574D) is incorporated and domiciled in Singapore. Its principal place of business and registered office at 6 Temasek Boulevard, #39-02 Suntec Tower Four, Singapore 038986. The financial statements are expressed in United States dollars.

The principal activities of the Company and its subsidiaries are those relating to the business of owning, operating and chartering pure car and truck carriers ("PCTC") vessels. As at the end of the reporting period, the Group has 17 PCTC vessels in operation.

As at 31 December 2020, the Group is in a net current liability position of US$6,209,773 (2019 : US$52,877,077) and recorded a loss of US$53,008,837 (2019 : US$49,585,520) for the year then ended. As at 31 December 2020, the Group has bank borrowings of US$332,382,793 (2019 : US$329,242,026) (Note 13), lease liabilities of US$49,876,948 (2019 : US$95,447,179) (Note 14), and cash balance of $11,570,716 (2019 : US$10,467,541) (Note 4).

As at 31 December 2020, the Group has in place two term loan facilities amounting to US$257 million and US$96 million (collectively known as "existing loan facilities") to finance the Group's fleet of PCTC vessels. The term loan facility of US$257 million will mature on 4 January 2022 and the term loan facility of US$96 million, which comprise of US$34.5 million and US$35.1 million that remains outstanding as at the reporting date, will mature on 26 January 2023 and 27 April 2023 respectively.

On 24 September 2020, the Group had entered into an Amendment and Waiver agreement with its Lenders and Lessors for deferred payment arrangements in 2020 and 2021. Under this agreement (also referred to as the Pay-As-You-Earn scheme), the Group pays interest and/or principal based on a quarterly cash flow waterfall calculation. The waiver period expires on 4 July 2021, after which the Group shall resume to the original terms under the credit facilities and leases. Refer to Note 13 for details on the original terms and terms relating to Pay-As-You-Earn scheme.

Subsequent to the end of the financial year, the Group has breached a financial covenant under the US$257 million loan facility as the Group has not met the minimum cash requirement as well as a mandatory prepayment clause under the US$257 million facility, which requires the Group to make a prepayment of US$10 million on its US$257 million facility.

As at the date of authorisation of these financial statements, the Group has successfully obtained a waiver of the financial covenants and mandatory prepayment of US$10 million until 30 November 2021 ("Waiver Period"), to enable the Group to refinance its existing loan facilities.

1 GENERAL INFORMATION (CONT'D)

The Group is embarking on the following plans to settle and refinance its current loan obligations:

i. Fund-raising of approximately US$100 million by a newly incorporated group ("NewCo") in Norway through issuance of shares to new equity investors ("Equity Fund-raising") by 30 November 2021, and NewCo obtaining a new loan facility of up to US$180 million from new lenders by 30 November 2021. As at the date of authorisation of these financial statements, the due diligence work for the Equity Fund-raising is in progress, and credit committee approvals and commitment letter have been obtained from the new lenders for the new loan facility of up to US$180 million. One of the condition precedent for the new loan facility is the successful Equity Fund-raising by 30 November 2021.

   The above arrangement entails the transfer of all of the vessels owned by the Group, except for two of its vessels as mentioned in item (ii) below, to the NewCo at market value at the date of transfer. The proceeds from the Equity Fund-raising and new loan facility by NewCo will be used as purchase consideration for the transfer of the vessels in the Group to the NewCo, therefore allowing the Group to have the funds available to repay its existing US$257 million loan facility to the Lenders by 30 November 2021.

ii. Successful negotiation with a new financier on sales and leaseback arrangement for two of its vessels in order to repay its US$96 million loan facility. As at the date of authorisation of these financial statements, a non-binding term sheet has been signed and the new financier is pending credit committee approval. The Group plans to novate the sales and leaseback arrangement to the NewCo if item (i) materializes and the novation is subject to the approval of the financier and lessee.

   Upon the successful completion of the events set out in items (i) and (ii) above, management intends to liquidate the Group.

iii. In the event that the Equity Fund-raising and new loan facility arrangement is not successful, as mentioned in item (i) above, the Group will seek alternative financing arrangements and/or sales of certain vessels with the consent from the existing Lenders, to raise sufficient funds to repay its existing loan facilities and continue its operations.

   The Group's management has prepared a cash flow forecast up till October 2022. The projected cash flows are based on assumed charter rates, utilisation and operating expenditure. On the basis of these assumptions, management is of the view that the Group will have sufficient working capital and financial resources to meet obligations as and when they fall due for the next twelve months from the date of authorisation of these financial statements.

The above matters indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

Management notes its intention to liquidate the Group upon the successful completion of the events set out in items (i) and (ii) above. Nevertheless, this remains uncertain and in the event that the aforementioned events do not materialise by 30 November 2021, the Group will continue negotiations with the Lenders to agree on an extension of the Waiver Period and the US$257 million facility, seek alternative financing arrangements and/or sales of certain vessels with the consent from the existing Lenders and continue its operations. On this basis, the Directors and management believe that the going concern assumption adopted in the preparation of the financial statements remains appropriate.

1 GENERAL INFORMATION (CONT'D)

Accordingly, the financial statements do not include any adjustments relating to the realisation and classification of asset and liability amounts that may be necessary if the Group is unable to continue as a going concern. Should the going concern assumption be inappropriate, adjustments may have to be made to (i) reflect the situation that assets may need to be realised other than at their carrying amounts; (ii) provide for further liabilities that may arise; and (iii) reclassify non-current assets and non-current liabilities as current. No adjustments have been made in the financial statements in respect of these matters.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020 were authorised for issue by the Board of Directors on 27 October 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Accounting (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Adoption of new and revised standards

On 1 January 2020, the Group and the Company adopted the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

New revised standards and improvements to the standards not yet adopted

As at the date of authorisation of financial statements, the following amendments to FRS that are relevant to the Company and issued as at the end of the reporting period but not yet effective:

- Amendment to FRS 116: *Covid-19-Related Rent Concessions* (1)
- Amendment to FRS 116: *Covid-19-Related Rent Concessions beyond 30 June 2021* (2)
- Amendments to FRS 103: *Reference to the Conceptual Framework* (3)
- Annual Improvements to FRSs 2018-2020 (3)
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current* (4)

(1) Applies to annual periods beginning on or after 1 June 2020.

(2) Applies to annual periods beginning on or after 1 April 2021.

(3) Applies to annual periods beginning on or after 1 January 2022.

(4) Applies to annual periods beginning on or after 1 January 2023.

Management anticipates that the adoption of the new or revised FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements in the period of their initial adoption.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (cont'd)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

(c) Business Combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with FRS 102 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Business Combinations (cont'd)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(d) Financial Instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet both the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through Profit or Loss ("FVTPL").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

Financial assets (cont'd)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

Financial assets (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

Financial assets (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Debts and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of direct issue costs.

Redeemable preference shares are classified as equity instruments as the holders do not have rights to demand redemption. Any redemption of the redeemable preference shares shall be at the sole discretion of the Group.

Redeemable Convertible Loans

The component part of redeemable convertible loans issued by the Company is classified as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a number of the Company's own equity instruments in an equity instrument.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and subsequently carried at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

Financial liabilities and equity instruments (cont'd)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps and options. Further details of derivative financial instruments are disclosed in Note 15 to the financial statements.

Derivatives are initially recognised at the fair values at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of interest rate risk in cash flow hedges.

At the inception of the hedge relationship the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;

- the effect of credit risk does not dominate the value changes that result from that economic relationship; and

- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Note 15 contains details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in other comprehensive income are also detailed in Note 19.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other gains and losses.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories comprise fuel oil stock after hire period and lubrication oils remaining onboard for consumption purposes, i.e. for the operation of the vessels and consumable stores. Inventories are valued at cost, determined on a weighted average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(f) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of an investment in a subsidiary, the difference between disposal proceeds and the carrying amounts of the investment is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, Plant and Equipment

Property, plant and equipment comprised PCTC vessels, renovations and office equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. PCTC vessels in construction are carried at cost less impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is computed on a straight-line basis over the respective estimated economic useful lives, taking into account any estimated residual value. The economic useful lives of the Group's newly built vessels have been estimated to be 30 years, assuming there is no significant difference in the expected useful life for the various components of the vessels except for docking costs. Costs related to docking and periodic maintenance are depreciated over the estimated time remaining until the next docking, typically every 2.5 to 5 years. Cost related to renovations and office equipment are depreciated over 5 years.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each of the end of the reporting period. The effects of any revision are accounted for on a prospective basis.

On disposal of a property, plant and equipment, their cost, accumulated depreciations and accumulated impairment losses are removed from the financial statements and any gain or loss resulting from their disposal is included in profit or loss.

At the date of acquisition of a vessel, management estimates the component of the cost that corresponds to the economic benefit to be derived until the next scheduled dry-docking of the vessel, and the cost is depreciated on a straight-line basis over the remaining period to the next estimated dry-docking date.

(h) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Goodwill (cont'd)

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(i) Impairment of Tangible and Intangible Assets Excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Provisions (cont'd)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(k) Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer

Charter income

Time charter revenue relates to the lease of the vessels to the charterers and is recognised as services rendered over the duration of the time charter agreements and is stated net of taxes and commission paid.

Revenue from time charter is recognised in profit or loss on 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 profit and loss and taken up as deferred revenue in the statement of financial position.

<u>Interest income</u>

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(l) Employee Compensation

<u>Defined contribution plans</u>

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

<u>Employee leave entitlement</u>

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases

The Group as lessee

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. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases (cont'd)

The Group as lessee (cont'd)

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

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.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit or loss.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its vessel under an operating lease 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Non-current 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.

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(p) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because its excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible.

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period, and are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

(q) Cash and Cash Equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash at bank and fixed deposits which are subject to an insignificant risk of change in value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Share-based payments

The Group issued cash-settled share-based payments to certain employees.

For cash-settled share-based payments, a liability was recognised for the goods or services acquired, measured initially at the fair of the liability. As at each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any charges in fair value recongised in profit or loss for the year.

(s) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(t) Foreign Currency Transaction and Translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

Other than those judgements relating to going concern as disclosed in Note 1, management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are disclosed below).

Key sources of estimation uncertainty

<u>Depreciation, useful lives and residual values of vessels</u>

As described in Note 2, the Group and the Company reviews the estimated residual values and useful lives of property, plant and equipment at the end of each annual reporting period.

The cost of vessels of the Group and the Company is depreciated on a straight-line basis over the useful life of the vessels. The management estimates the useful life of these vessels to be 30 years. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

In determining the residual values of vessels, the Group and the Company consider the net proceeds that would be obtained from the disposal of the assets in the resale or scrap markets, fluctuations in scrap steel prices and industry practice. In determining useful lives, which is based on the period over which an asset is expected to be available for efficient use, the Group and the Company consider factors like insurance coverage requirement, maintenance and repair cost, technical or commercial obsolescence and legal or similar limits to the use of the vessels.

The carrying amount of the vessels are disclosed in Note 9.

<u>Impairment of vessels, included in property, plant and equipment and right-of-use assets</u>

Management reviews the vessels for impairment whenever there is an indication that the carrying amount of the vessels may not be recoverable. For the impairment assessment, management groups vessels of similar capacity as a single cash generating unit as the vessels are operated as part of an integrated fleet.

Management measures the recoverability of an asset or cash generating unit by comparing its carrying amount against its recoverable amount. Recoverable amount is based on value in use, which is the future cash flows that the cash generating unit is expected to generate over its remaining useful life, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash generating unit.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Impairment of vessels, included in property, plant and equipment and right-of-use assets (cont'd)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Board for the next five years and extrapolates cash flows for the following five years based on a fixed percentage of vessel income with an estimated growth rate of 0% (2019 : 0%) for the sixth year onwards. This rate does not exceed the average long-term growth rate for the relevant markets.

The future cash flows are discounted to their present value using a pre-tax discount rate of 7.44% (2019 : 6.8%) to reflect the time value of money. If the cash generating unit is considered to be impaired, impairment loss is recognised to an amount equal to the excess of the carrying value of the cash generating unit over its recoverable amount.

As at 31 December 2020, the Management assessed the recoverable value of the vessels and recognised an impairment loss amounting to US$12,420,000 (2019 : US$Nil) in profit or loss.

As at 31 December 2020 and 31 December 2019, the carrying values of the respective cash generating units, in car equivalent unit ("CEU"), are as follows:

	Group	
	31 December 2020	31 December 2019
	US$	US$
Capacity 2,000 CEU and below	100,173,369	116,216,746
Capacity between 2,001 CEU to 5,000 CEU	199,805,905	208,883,157
Capacity above 5,000 CEU	190,922,422	198,543,110
	490,901,696	523,643,013

Based on the value in use calculations for cash generating units as determined by management, possible increase in discount rate by 100 basis points or decrease in charter rate by 1% used in management's assessment will affect the value in use ("VIU") as follows:

	Increase in discount rate	Decrease in charter rate
	US$	US$
31 December 2020		
Decrease in VIU		
Capacity 2,000 CEU and below	(7,800,000)	(1,900,000)
Capacity between 2,001 CEU to 5,000 CEU	(16,100,000)	(3,600,000)
Capacity above 5,000 CEU	(22,000,000)	(3,200,000)
	(45,900,000)	(8,700,000)
31 December 2019		
Decrease in VIU		
Capacity 2,000 CEU and below	(9,500,000)	(2,400,000)
Capacity between 2,001 CEU to 5,000 CEU	(19,100,000)	(4,100,000)
Capacity above 5,000 CEU	(23,200,000)	(3,900,000)
	(51,800,000)	(10,400,000)

Based on the key assumptions and taking into account the sensitivity analysis above, management has determined that the recoverable amounts of the vessels are appropriate.

4 CASH AND CASH EQUIVALENTS

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	US$	US$	US$	US$
Cash at bank	11,570,716	10,467,541	4,950,600	1,066,856

Cash at bank as at 31 December 2020 includes a balance amounting to US$368,826 (31 December 2019 : US$41,393) held by OSM Ship Management Pte Ltd, a ship management service provider of the Company and Group.

Bank deposits amounting US$91,759 (31 December 2019 : US$87,070) are pledged to tax authority of Norway in relation to employee's tax payable.

For the Group's and the Company's loan facilities disclosed in Note 13, the Group has to comply with a minimum cash covenant of maintaining no less than US$3,000,000 in aggregate up till 4 July 2021. After 4 July 2021, the minimum cash and cash equivalents covenant will return to the original terms of no less than US$1,000,000 for each vessel owned by the Group.

As disclosed in Note 1, subsequent to 31 December 2020, the Group has successfully obtained a waiver of certain financial covenants until 30 November 2021, including the minimum cash covenant, so as to avoid the Group being in breach with financial covenants under its loan agreements and provide the Group with time required for refinancing of its US$257 million credit facility, which matures on 4 January 2022.

5 TRADE AND OTHER RECEIVABLES AND LONG TERM RECEIVABLE

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	US$	US$	US$	US$
Trade receivables	353,127	364,604	-	-
Recoverable expenses	43,515	82,657	1,790	2,945
Other receivables due from subsidiaries	-	-	703,031	73
Other receivables	261,123	78,710	34,536	14,018
Long term receivable	1,000,000	1,000,000	22,519,416	19,306,754
	1,657,765	1,525,971	23,258,773	19,323,790
Less: Current portion	(657,765)	(525,971)	(739,357)	(17,036)
Non-current portion	1,000,000	1,000,000	22,519,416	19,306,754

Long term receivable for the Group from third-parties is unsecured and due in 3 years (2019 : 4 years) with interest rate applicable fixed at 1.25% (2019 : 1.25%) per annum.

Long term receivable for the Company refer to the sellers' credit due from GCC (CUE) Shipowning Pte Ltd, a wholly owned subsidiary of the Company. The amount is unsecured and interest free.

5 TRADE AND OTHER RECEIVABLES AND LONG TERM RECEIVABLE (CONT'D)

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables is estimated by reference to past default experience of the debtor and an analysis on the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Loss allowance for other receivables are measured at an amount equal to 12-month ECL. For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. The Group has determined that the other receivables are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer bases.

	Group Trade receivables – days past due					
31 December 2020	Not past due	30-60 days	60-90 days	90-120 days	>120 days	Total
	US$	US$	US$	US$	US$	US$
Estimated total gross carrying amount at default	353,127	-	-	-	-	353,127
Lifetime ECL	-	-	-	-	-	-
Total	353,127	-	-	-	-	353,127

	Group Trade receivables – days past due					
31 December 2019	Not past due	30-60 days	60-90 days	90-120 days	>120 days	Total
	US$	US$	US$	US$	US$	US$
Estimated total gross carrying amount at default	364,604	-	-	-	-	364,604
Lifetime ECL	-	-	-	-	-	-
Total	364,604	-	-	-	-	364,604

Management has assessed and is of the view that the trade receivables from third parties are collectible.

6 ASSET CLASSIFIED AS HELD FOR SALE

In 2020, the Group was instructed by one of the lessors to dispose one of the leased vessels by 31 August 2020, which was subsequently further extended to 2021, as a means of repaying the outstanding lease liabilities. This resulted in the recognition of an early termination penalty amounting to US$2,561,084 in 2019. A reversal of termination penalty amounting US$202,799 was recognised in 2020.

In April 2021 the Group entered into a termination and sale agreement with the lessor. The unwinding of the lease structure includes 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 27 August 2021 with a recoverable value of the vessel is US$42,669,000. The leased vessel has been classified as an asset held for sale as at 31 December 2020 and is presented separately in the statement of financial position.

As the proceeds of disposal is lower than the net carrying amount of the leased vessel, impairment loss amounting to US$5,338,919 (2019 : US$4,709,207) is recognised in the profit or loss by reducing its net carrying amount to its recoverable value (Note 10).

The major class of assets and liabilities comprising the disposal group classified as held for sale are as follows:

	Group
	31 December 2020
	US$
Leased vessel, representing total asset classified as held for sale	42,669,000
Lease liabilities, representing total liabilities directly associated with asset classified as held for sale	(45,274,221)
Net liabilities of disposal group	(2,605,221)

7 INVESTMENTS IN SUBSIDIARIES

	Company	
	31 December 2020	31 December 2019
	US$	US$
Equity investments at cost:		
Beginning of the financial year	113,367,407	50,200,433
Additional investment in subsidiaries	-	73,000,150
Impairment on investment	(15,929,397)	(9,833,176)
End of the financial year	97,438,010	113,367,407

Details of the Group's subsidiaries at 31 December 2020 are as follows:

Name of company	Principal activities	Place of business/ incorporation	Effective equity held 2020 %	Effective equity held 2019 %
Global Car Carriers III Ltd.	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Bermuda	75	75
Global Car Carriers IV Ltd.	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Bermuda	75	75
Global Adventure Pte Ltd.	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Singapore	75	75
Global Bravery Pte Ltd.	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Singapore	75	75
Global Conquest Pte Ltd.	Operating and chartering in and out of pure car and trucks carriers (PCTC) vessels	Singapore	75	75
GCC (CUE) Shipowning Pte Ltd	Owning, operating and chartering of pure car and trucks carriers (PCTC) vessels	Singapore	100	100
Global Car Carriers Holdings Pte Ltd	Investment	Singapore	75	75
Gram Car Carriers Capital Ltd.	Investment	British Virgin Islands	100	100
Gram Car Carriers AS	Commercial management company	Norway	100	100

7 INVESTMENTS IN SUBSIDIARIES (CONT'D)

7.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

The summarised financial information below represents amounts before intragroup elimination.

	Global Adventure Pte Ltd.	Global Bravery Pte Ltd.	Global Conquest Pte Ltd	Global Car Carriers III Ltd.	Global Car Carriers IV Ltd.
	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020
	US$	US$	US$	US$	US$
Current assets	685,556	2,623,684	601,281	50,235,422	422,363
Non-current assets	48,009,463	49,695,670	-	-	50,968,621
Current liabilities	(2,135,316)	(2,150,884)	(9,542,531)	(45,290,613)	(8,515,651)
Non-current liabilities	(34,332,655)	(34,467,339)	-	-	(33,190,204)
Equity attributable to owners of the Company	9,170,286	11,775,849	(6,705,937)	3,708,607	7,263,847
Non-controlling interests	3,056,762	3,925,282	(2,235,313)	1,236,202	2,421,282
Total comprehensive loss attributable to owners of the Company	(2,517,272)	(584,836)	(4,656,325)	(5,864,788)	(385,823)
Total comprehensive loss attributable to the non-controlling interests	(839,091)	(194,946)	(1,552,109)	(1,954,929)	(128,608)

	Global Adventure Pte Ltd.	Global Bravery Pte Ltd.	Global Conquest Pte Ltd	Global Car Carriers III Ltd.	Global Car Carriers IV Ltd.
	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019
	US$	US$	US$	US$	US$
Current assets	1,315,076	1,634,974	742,609	10,660,189	745,605
Non-current assets	49,700,242	50,636,038	-	47,348,399	52,852,512
Current liabilities	(1,979,253)	(1,705,877)	(3,475,425)	(45,244,062)	(10,776,396)
Non-current liabilities	(33,452,654)	(34,084,222)	-	-	(32,622,161)
Equity attributable to owners of the Company	11,687,558	12,360,685	(2,049,613)	9,573,394	7,649,670
Non-controlling interests	3,895,853	4,120,228	(683,203)	3,191,132	2,549,890
Total comprehensive loss attributable to owners of the Company	(264,683)	(205,718)	(1,140,558)	(4,881,092)	(1,167,863)
Total comprehensive loss attributable to the non-controlling interests	(88,227)	(68,572)	(683,204)	(1,627,031)	(389,288)

The summarised financial information of Global Car Carriers Holdings Pte Ltd is not disclosed as the non-controlling interest is deemed immaterial for financial years ended 31 December 2020 and 2019.

8 OTHER INVESTMENT

	Group	
	31 December 2020	31 December 2019
	US$	US$
Financial assets measured at FVTPL	159,000	159,000

Other investment relates to a project invested by the Company's subsidiary to acquire 1% stake of 2 PCTC vessels in 2017 which are held for trading.

9 PROPERTY, PLANT AND EQUIPMENT

Group	PCTC vessels	Docking	Renovations	Office equipment	Total
	US$	US$	US$	US$	US$
Cost					
At 1 January 2019	662,124,608	10,793,995	88,288	-	673,006,891
Additions	361,154	1,378,894	-	9,732	1,749,780
At 31 December 2019	662,485,762	12,172,889	88,288	9,732	674,756,671
Additions	257,870	4,083,952	-	2,249	4,344,071
At 31 December 2020	662,743,632	16,256,841	88,288	11,981	679,100,742
Accumulated depreciation					
At 1 January 2019	141,286,492	6,376,419	64,742	-	147,727,653
Depreciation charge for the financial year	19,792,424	2,303,059	17,660	2,872	22,116,015
At 31 December 2019	161,078,916	8,679,478	82,402	2,872	169,843,668
Depreciation charge for the financial year	19,479,834	1,527,740	5,886	1,942	21,015,402
At 31 December 2020	180,558,750	10,207,218	88,288	4,814	190,859,070
Accumulated impairment					
At 1 January 2019 and 31 December 2019	50,275,423	-	-	-	50,275,423
Impairment charge for the financial year	12,420,000	-	-	-	12,420,000
At 31 December 2020	62,695,423	-	-	-	62,695,423
Carrying amount					
At 31 December 2020	419,489,459	6,049,623	-	7,167	425,546,249
At 31 December 2019	451,131,423	3,493,411	5,886	6,860	454,637,580

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	PCTC vessels	Docking	Renovations	Total
	US$	US$	US$	US$
Cost				
At 1 January 2019	537,556,597	9,293,997	88,288	546,938,882
Additions	363,105	1,196,583	-	1,559,688
Disposal	(537,919,702)	(10,490,580)	-	(548,410,282)
At 31 December 2019 and 31 December 2020	-	-	88,288	88,288
Accumulated depreciation				
At 1 January 2019	126,896,401	5,237,708	64,742	132,198,851
Depreciation charge for the financial year	15,387,379	1,933,828	17,660	17,338,867
Disposal	(142,283,780)	(7,171,536)	-	(149,455,316)
At 31 December 2019	-	-	82,402	82,402
Depreciation charge for the financial year	-	-	5,886	5,886
At 31 December 2020	-	-	88,288	88,288
Accumulated impairment				
At 1 January 2019	50,275,423	-	-	50,275,423
Disposal	(50,275,423)	-	-	(50,275,423)
At 31 December 2019 and 31 December 2020	-	-	-	-
Carrying amount				
At 31 December 2020	-	-	-	-
At 31 December 2019	-	-	5,886	5,886

The Group's vessels are financed partly by bank borrowings (Note 13). At the end of the reporting period, the Group's operating vessels which have carrying amount of US$425,539,082 (31 December 2019 : US$454,624,834) have been charged by way of legal mortgages.

Management has assessed the recoverable value of the vessels. Details are disclosed in Note 3. An impairment loss amounting to US$12,420,000 have been recognised during the financial year ended 31 December 2020 (31 December 2019 : US$Nil).

10 RIGHT-OF-USE ASSETS

The Group leases 2 vessels (2019 : 3 vessels) and 2 office sites. Lease term is 2 to 6 years (2019 : 2 to 6 years).

Group	Vessels	Office leases	Total
	US$	US$	US$
Cost			
At 1 January 2019 and 31 December 2019	136,691,877	1,287,046	137,978,923
Additions	46,290	-	46,290
Reclassification to asset classified as held for sale (Note 6)	(60,459,964)	-	(60,459,964)
At 31 December 2020	76,278,203	1,287,046	77,565,249
Accumulated depreciation			
At 1 January 2019	7,330,558	-	7,330,558
Depreciation charge for the financial year	5,663,933	317,525	5,981,458
At 31 December 2019	12,994,491	317,525	13,312,016
Depreciation charge for the financial year	5,663,936	358,238	6,022,174
Reclassification to asset classified as held for sale (Note 6)	(7,742,838)	-	(7,742,838)
At 31 December 2020	10,915,589	675,763	11,591,352
Impairment			
At 1 January 2019	-	-	-
Impairment charge for the financial year	4,709,207	-	4,709,207
At 31 December 2019	4,709,207	-	4,709,207
Impairment charge for the financial year	5,338,919	-	5,338,919
Reclassification to asset classified as held for sale (Note 6)	(10,048,126)	-	(10,048,126)
At 31 December 2020	-	-	-
Carrying amount			
At 31 December 2020	65,362,614	611,283	65,973,897
At 31 December 2019	118,988,179	969,521	119,957,700

In 2020, the Group was instructed by one of the lessors to dispose one of the leased vessels by 31 August 2020, which was subsequently further extended to 2021, as a means of repaying the outstanding lease liabilities. This resulted in the recognition of an early termination penalty amounting to US$2,561,084 in 2019. A reversal of termination penalty amounting US$202,799 was recognised in 2020.

In April 2021, the Group has entered into a three-party agreement with its lessor and a third party buyer for the sale of one of the PCTC vessels operated by the Group at US$42,669,000, net of 1% broker commission. The leased vessel, which has been sold within twelve months from the end of the reporting period, have been classified as an asset held for sale (Note 6) in 2020 and is presented separately on the statement of financial position.

10 RIGHT-OF-USE ASSETS (CONT'D)

As the proceeds of disposal is lower than the net carrying amount of the leased vessel, impairment loss amounting to US$5,338,919 (2019 : US$4,709,207) is recognised in the profit or loss by reducing its net carrying amount to its recoverable value.

The Company leases 1 vessel and 1 office site. Lease term is 2 to 6 years (2019 : 2 to 6 years).

Company	Vessels	Office lease	Total
	US$	US$	US$
Cost			
At 1 January and 31 December 2019	15,874,886	244,280	16,119,166
Additions	46,290	-	46,290
At 31 December 2020	15,921,176	244,280	16,165,456
Accumulated depreciation			
At 1 January 2019	-	-	-
Depreciation charge for the financial year	1,743,206	81,426	1,824,632
At 31 December 2019	1,743,206	81,426	1,824,632
Depreciation charge for the financial year	1,743,207	122,140	1,865,347
At 31 December 2020	3,486,413	203,566	3,689,979
Carrying amount			
At 31 December 2020	12,434,763	40,714	12,475,477
At 31 December 2019	14,131,680	162,854	14,294,534

11 GOODWILL

	Group	
	31 December 2020	31 December 2019
	US$	US$
Beginning of the financial year	-	10,817,349
Impairment during the financial year	-	(10,817,349)
End of the financial year	-	-

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

11 GOODWILL (CONT'D)

In 2019, the recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts.

In 2019, the Group prepared cash flow forecasts derived from the most recent financial budgets approved by the Board for the next five years and extrapolated cash flows for the following five years based on a fixed percentage of vessel income with an estimated growth rate of 4%. This rate did not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows was 6.8% in 2019.

In 2019, the Management assessed the recoverable value of goodwill and recognised an impairment loss amounting to US$10,817,349 in profit and loss.

12 TRADE AND OTHER PAYABLES

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	US$	US$	US$	US$
Trade payables	1,745,478	1,306,598	-	623,651
Other payables:				
- Subsidiaries	-	-	309,037	6,559
- Non-related parties	2,798	2,798	2,798	2,798
Accrued expenses	10,384,371	5,503,868	2,841,190	1,380,490
Income tax payable	23,266	160,162	23,000	160,162
	12,155,913	6,973,426	3,176,025	2,173,660
Less: Current portion	(9,700,395)	(6,302,593)	(720,507)	(1,502,827)
Non-current portion	2,455,518	670,833	2,455,518	670,833

Trade payables and other payables due to subsidiaries, related party and non-related parties are unsecured, interest-free and repayable on demand, except for US$2,455,518 (2019 : $670,833) which relates to accruals of interest on redeemable convertible loans and is repayable by end of 2023.

13 BANK BORROWINGS

	Group	
	31 December 2020	31 December 2019
	US$	US$
Bank borrowings (secured)		
- Current	4,413,209	8,188,918
- Non-current	327,969,584	321,053,108
	332,382,793	329,242,026

13 BANK BORROWINGS (CONT'D)

The Group has in place two term loan facilities amounting to US$257 million and US$96 million to finance the Group's fleet of PCTC vessels on both of which interest is charged at a floating rate based on 3 months LIBOR plus 300 and 285 basis points respectively (31 December 2019 : 3 months LIBOR plus 300 and 285 basis points respectively). In addition, a 200 basis points of Payment-in-Kind ("PIK") interest is charged for the remaining loan period to both of the term loan facilities. On 24 September 2020, the 200 basis points of PIK interest under US$257 million loan facility was waived and conditional waiver was obtained for US$96 million loan facility starting from 30 March 2020 to 4 July 2021.

The effective interest rate for the Group's bank borrowings is approximately 3.8% to 4.3% (31 December 2019 : 6.5% to 7.2%).

The loans are secured by the following:

<u>Post-delivery</u>

a. Mortgage over vessels
b. Assignment of time charter, earnings and insurances
c. Pledge of earnings accounts
d. Floating charge over assets
e. Security in the shares of the Group's subsidiaries.

At the end of the reporting period, the estimated fair value of the non-current borrowing that is not measured at fair value on a recurring basis (but for which fair value disclosure is required) was US$307,811,361 (31 December 2019 : US$307,265,762). The term loan facility of US$257 million will mature on 4 January 2022 and the term loan facility of US$96 million, which comprise of US$34.5 million and US$35.1 million that remains outstanding as at the reporting date, will mature on 26 January 2023 and 27 April 2023 respectively.

The fair value above is determined from the cash flow analyses, discounted at implied US$ LIBOR rates derived from the US$ LIBOR yield curve which the management expect to be available to the Group plus the margin, at the range of 3.0% to 3.3% (31 December 2019 : 4.2% to 4.8%). These bank borrowings are included in Level 2 in the fair value hierarchy.

On 24 September 2020, the Group had entered into an Amendment and Waiver Agreement with its Lenders and Lessors for deferred payment arrangements in 2020 and 2021, to pay interest and/or principal when the Group earns its revenue ("Pay-As-You-Earn"), with the objective of achieving a comprehensive amendment to the secured bank loans and lease obligations, so as to maintain sufficient liquidity and cash flows for working capital. The following terms for the term loan facilities amounting to US$257 million and US$96 million have been agreed:

i) Pay-As-You-Earn scheme is valid from 30 March 2020 until the earlier of 4 July 2021 or the date of occurrence of any default event under the relevant agreements relating to the term loan facilities (the "Waiver Period");

ii) During the Waiver Period, all amounts earned by the vessels in the Group shall be applied pursuant to the stipulated cash flow waterfall on a quarterly basis. The cash flow waterfall is in the following order: Operating expenses, general and administrative expenses, drydocking costs, payments of interest due and payable, any repayment instalments due and payable, any payments due under existing hedging transactions and any excess cash to be held in the relevant earnings account for application against this waterfall in the following quarter, subject to the minimum cash threshold;

13 BANK BORROWINGS (CONT'D)

iii) No repayments will be made based on the cash flow waterfall unless there is a minimum cash balance of US$6 million in the Group to buffer for any additional operating costs and expenses, including drydocking costs, which the Group may incur;

iv) On the last day of each quarter during the Waiver Period, each of the vessel pools will issue a "Waterfall Certificate" with calculations of the waterfall, setting out relevant payments to be made to the Lenders and Lessors on a quarterly basis;

v) On the expiry of the Waiver Period, the existing interest and repayment schedule under the US$257 million and US$96 million facility agreements shall resume and any repayment instalments due but unpaid during the Waiver Period shall be repaid on the final repayment date in January 2022 for the US$257 million facility and January 2023 and April 2023 for the US$96 million facility;

vi) Any amounts of interest and repayments due but unpaid during the Waiver Period shall not be compounded but deemed as not having fallen due other than to the extent paid. The Group will enter into negotiation 3 months prior to the expiry of the Waiver Period to agree repayment terms beyond the Waiver Period for all other financing other than the term loan facility of US$96 million; and

vii) Certain amendments to the financial covenants, including minimum cash requirement reduced to US$3 million for the Group during the Waiver Period.

The Group is not in breach with any financial covenants during the current financial year.

Subsequent to the end of the financial year, the Group has breached a financial covenant under the US$257 million loan facility as the Group has not met the minimum cash requirement as well as a mandatory prepayment clause under the US$257 million facility, which requires the Group to make a prepayment of US$10 million on its US$257 million facility.

As at the date of authorisation of these financial statements, the Group has successfully obtained a waiver of the financial covenants and mandatory prepayment of US$10 million until 30 November 2021 ("Waiver Period"), to enable the Group to refinance its existing loan facilities.

Based on ongoing discussions, management is of the opinion that there are reasonable grounds to believe that its existing loan facilities will be refinanced by 30 November 2021. In the event that the Group is not successful in refinancing its existing loan facilities by 30 November 2021, the Group will seek alternative financing arrangements and/or sales of certain vessels with the consent from the existing Lenders, to raise sufficient funds to repay its existing loan facilities and continue its operations. Refer to Note 1 for further details.

13 BANK BORROWINGS (CONT'D)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2020	Financing cash flows[(i)]	Interest expense	Reversal of interest accruals	Other non-cash changes	31 December 2020
	US$	US$	US$	US$	US$	US$
Bank borrowings	329,242,026	(3,837,926)	9,758,097	(3,968,540)	1,189,136	332,382,793
Lease liabilities (Note 14)	95,447,179	(4,096,060)	4,002,849	-	(45,477,020)	49,876,948
Redeemable convertible loans (Note 16)	15,000,000	7,502,146	-	-	-	22,502,146
	439,689,205	(431,840)	13,760,946	(3,968,540)	(44,287,884)	404,761,887

	1 January 2019	Financing cash flows[(i)]	Interest expense	Interest accruals	Other non-cash changes	31 December 2019
	US$	US$	US$	US$	US$	US$
Bank borrowings	331,746,533	(30,769,933)	22,383,169	4,738,194	1,144,063	329,242,026
Lease liabilities (Note 14)	101,137,383	(14,151,578)	5,900,290	-	2,561,084	95,447,179
Redeemable convertible loans (Note 16)	-	15,000,000	-	-	-	15,000,000
	432,883,916	(29,921,511)	28,283,459	4,738,194	3,705,147	439,689,205

(i) The cash flows make up the net amount of proceeds from bank borrowings, repayment of bank borrowings and interest paid in the consolidated statement of cash flows.

14 LEASE LIABILITIES (Group as a lessee)

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	US$	US$	US$	US$
Maturity analysis:				
Year 1	50,200,151	59,219,138	2,711,656	2,769,969
Year 2	17,004,695	6,760,068	12,928,750	2,711,656
Year 3	3,909,732	14,670,899	-	10,731,946
Year 4	3,658,838	3,708,897	-	-
Year 5	3,476,729	3,515,018	-	-
Year 6 onwards	26,866,820	27,455,497	-	-
	105,116,965	115,329,517	15,640,406	16,213,571
Less: Unearned interest	(9,965,796)	(19,882,338)	(970,338)	(1,881,780)
	95,151,169	95,447,179	14,670,068	14,331,791
Directly associated with asset classified as held for sale (Note 6)	(45,274,221)	-	-	-
	49,876,948	95,447,179	14,670,068	14,331,791
Analysed as:				
Current	3,164,966	49,341,148	1,897,292	1,824,647
Non-current	46,711,982	46,106,031	12,772,776	12,507,144
	49,876,948	95,447,179	14,670,068	14,331,791

Lease liabilities are monitored within the Group’s treasury function.

The Group’s and the Company’s obligations under lease liabilities are secured by the lessors’ title to the leased assets for such leases (Note 10).

15 DERIVATIVE FINANCIAL INSTRUMENTS

Group	Notional contract amount	Fair value Assets	Fair value Liabilities
	US$	US$	US$
31 December 2020			
Interest rate options (caps):			
- Not designated in hedge accounting relationships	50,000,000	-	162,664
31 December 2019			
Interest rate options (caps):			
- Not designated in hedge accounting relationships	50,000,000	-	263,816

The Group had entered into interest rate swaps and option agreements to hedge interest exposure in relation to the Group's borrowings.

Derivative financial instruments comprise of fair value on interest rate cap. The contracted notional principal amount of the derivative outstanding at end of the reporting period is US$50,000,000 (2019 : US$50,000,000) which will mature within 1 to 5 years.

Certain interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts were designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount recognised in other comprehensive income was reclassified from equity to profit or loss over the loan period. These interest rate swaps are designated as cash flow hedges and the fair value of the interest rate swaps amounting to US$193,675 had been recognised in other comprehensive income in 2019. These interest rate swaps expired in 2019.

Gain in the fair value of derivatives not designated in hedge accounting relationship amounting to US$101,152 (2019 : loss of US$230,573) has been recognised in profit or loss for the year.

16 REDEEMABLE CONVERTIBLE LOANS

	Group and Company	
	31 December 2020	31 December 2019
	US$	US$
Beginning of the financial year	15,000,000	-
Issued during the financial year	7,502,146	15,000,000
End of financial year	22,502,146	15,000,000

In July 2019, the Company issued US$15 million redeemable convertible loans ("RCL") with three years' term and coupon at 10% per annum. In September 2020, the Company issued additional US$7,502,146 RCL with three years' term and coupon at 10% per annum.

The Company has the option of not paying the coupon, which in such event, the coupon shall be accrued and added to the outstanding RCL balance.

Any portion of the RCL shall be convertible to ordinary shares in the Company at the option of the RCL's holders within the term at conversion price of US$ 0.05 (2019 : US$ 0.3087) per ordinary share. If the Company issues, besides the RCL, new equity and/or loan instruments at a lower price, the conversion price will be adjusted accordingly.

Any portion of the RCL shall be redeemable at the option of the Company within the term, at a price equal to the conversion price. Such redemption can be in cash or in ordinary shares of the Company at the option of the RCL's holders.

However, under the US$257 million senior loan facility and US$96 million loan facility as amended, the Company and the RCL's holders have entered into subordination agreements in favour of the lenders, which require no cash payments be made before the discharge of debt from each of the facility, unless the cash payment is permitted by the lenders or the payment is not in cash and is being made by way of issuance of ordinary shares.

17 PROVISION

	Group and Company	
	31 December 2020	31 December 2019
	US$	US$
Beginning and end of the financial year	566,667	566,667

The provision refers to drydocking costs which the Group and the Company are required to incur for the bareboat vessel chartered during the year. The provision has been estimated based on replacement cost. The next drydocking for the vessel is expected to be in 2021.

18 SHARE CAPITAL

	Group and Company			
	2020		2019	
Issued and fully paid:	Number of ordinary shares	US$	Number of ordinary shares	US$
Beginning and end of financial year	291,548,926	230,791,059	291,548,926	230,791,059

	Number of redeemable preference shares	US$	Number of redeemable preference shares	US$
Issued and partly paid:				
Beginning and end of financial year	1,042,027	1,042,027	1,042,027	1,042,027

Ordinary shares

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

Redeemable preference shares

In 2016, the Company issued 10 million redeemable preference shares.

Redeemable preference shares carry one vote per share and carry a right to dividends of the Company.

Payment of dividends on the redeemable preference shares shall be in priority to the dividend payable on the ordinary shares in the capital of the Company. No ordinary dividend can be paid before the preferred dividend has been covered.

After the redeemable preference shares were fully paid-up in 2017, the Company redeemed 8,957,973 shares (amounting to US$8,957,973) by issuing 23,537,686 ordinary shares at US$0.38058 per share together with the grant of 23,537,686 warrants to the respective shareholders. The terms of the warrants are as aforementioned. As of 31 December 2019, a total of 107,619,876 warrants were issued. All warrants have expired during the current financial year.

19 HEDGING RESERVE

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge recognised in other comprehensive income and accumulated in hedging reserves was reclassified to profit or loss when the hedged transaction impacts the profit or loss, or was included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

Movement in hedging reserve

	Group and Company	
	2020	2019
	US$	US$
Beginning of the financial year	-	193,675
Changes during the financial year in other comprehensive income	-	(193,675)
End of the financial year	-	-

20 TRANSLATION RESERVE

Exchange differences relating to the translations from the functional currencies of the Group's foreign subsidiaries into United States dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of translation reserves.

Movement in translation reserve

	Group	
	2020	2019
	US$	US$
Beginning of the financial year	14,004	(18,159)
Changes during the financial year in other comprehensive income	107,099	32,163
End of the financial year	121,103	14,004

21 OPERATING REVENUE

	Group	
	2020	2019
	US$	US$
Charter income (over time)	45,830,265	69,862,477

22 OTHER INCOME

	Group	
	2020	2019
	US$	US$
Fair value gain/(loss) on derivative financial instruments	101,152	(230,573)
Guarantee fee earned from non-controlling shareholders	227,563	206,612
Interest income	18,787	135,650
	347,502	111,689

23 INTEREST EXPENSE

	Group	
	2020	2019
	US$	US$
Interest expense on borrowings	9,758,097	22,383,169
Interest expense on lease liabilities	4,002,849	5,900,290
Interest expense on redeemable convertible loans	1,784,684	670,833
	15,545,630	28,954,292

24 EMPLOYEE COMPENSATION

(a) Included in staff costs are:

	Group	
	2020	2019
	US$	US$
Wages and salaries	2,370,988	2,445,523
Employer's contribution to defined contribution plans including Central Provident Fund	118,592	124,473
Share-based payments	-	888,433
Other benefits	313,298	449,246
	2,802,878	3,907,675

(b) Share-based payments

The Company issued an Employee Share Option Plan ("ESOP") scheme for certain employees of the Company in 2018 and 2019. Under the scheme, options granted to option holders may exercise the vested portion of options during any period (each of such period being an "exercise period") of 15 business days from the day following the Company's quarterly calculation of net asset value ("NAV") as defined in the Stock Option Agreement. The option holders may choose to receive cash on the exercise of an option, where the cash amount per share shall be equal to the difference between the strike price and the most recent quarterly NAV. The fair value of the option is determined using the option pricing method.

ESOP scheme was terminated in 2019, with compensation for termination amounting to US$1,063,085 given to the ESOP holders.

At 31 December 2020 and 2019, the Group and the Company have no liabilities in respect of the options. In 2019, the Group and the Company recognised total expenses of US$888,433 in respect of the options.

<u>Equity-settled share option scheme</u>

In 2020, the Company implemented a share option scheme for the Chief Executive Officer ("CEO") of a subsidiary of the Company. The scheme is administered by the Remuneration Committee. Options are exercisable at US$0.00001 in various tranches. The vesting date of the first tranche and adjustment tranche(s) is on 30 September 2020 and the date(s) when the US$15 million redeemable convertible loan ("RCL") is converted or repaid in part or in full, respectively. If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited if the CEO leaves the company before the options vest.

24 EMPLOYEE COMPENSATION (CONT'D)

(b) Share-based payments (cont'd)

The number of options vesting for the first tranche is the number to adjust for RCLs exercised and equity changes, up to a maximum of 5,159,000, ensuring an ownership of 2.01% on a fully diluted basis. The number of options vesting for the adjustment tranche(s) is the number ensuring an ownership of 2.01% taking into account regular shares, Redeemable Preference Shares and US$15 million RCL on a fully diluted basis.

25 INCOME TAX (CREDIT)/EXPENSE

Income tax recognised in profit or loss

	Group	
	2020	2019
	US$	US$
Tax (credit)/expense comprises:		
Current tax expense	23,000	160,162
Adjustments recognised in the current year in relation to the current tax in prior years	(104,468)	29,601
Total tax (credit)/expense	(81,468)	189,763

Domestic income tax is calculated at 17% (2019 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing the relevant jurisdictions.

The Group's income derived from the operation of its fleet of PCTC vessels is exempted from income tax under Section 13A of the Singapore Income Tax Act.

Income arise from other activities do not enjoy the above-mentioned income tax exemption. The incomes of the other companies in the Group are subject to the relevant income tax laws and regulations in the respective countries in which they operate.

The total charge for the year can be reconciled to the accounting loss as follows:

	Group	
	2020	2019
	US$	US$
Loss before tax	(53,090,305)	(49,395,757)
Income tax benefit calculated at 17% (2019 : 17%)	(9,025,352)	(8,397,279)
Effect of revenue that is exempt from taxation	(338,050)	(530,766)
Effect of expenses that are not deductible in determining taxable profit	9,386,402	9,088,207
	23,000	160,162
Adjustments recognised in the current year in relation to the current tax in prior years	(104,468)	29,601
Income tax (credit)/expense recognised in profit or loss	(81,468)	189,763

26 OPERATING LEASE ARRANGMENTS

Operating lease commitments - where the Group is a lessor:

The Group has entered into non-cancellable time charter agreements under which its vessels are chartered by third parties.

At the end of the reporting period, the maturity analysis of operating lease payments are as follows:

	Group	
	2020	2019
	US$	US$
Year 1	54,845,200	34,858,450
Year 2	32,821,700	409,500
Year 3	11,271,500	-
Total	98,938,400	35,267,950

Operating lease commitments - where the Group is a lessee:

At 31 December 2020 and 2019, the Group is not committed to short-term leases.

27 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales, purchases, cost incurred and expenses

	Group	
	2020	2019
	US$	US$
Professional fees paid to a firm in which a director has a financial interest	4,783	54,354

Related parties mean entities where the shareholders have significant influence or control. The related party balances are unsecured, repayable on demand and interest-free.

(b) Key management personnel compensation

Key management personnel compensation represents compensation paid to Directors are as follows:

	Group	
	2020	2019
	US$	US$
Directors' fee	183,144	115,000

28 FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	US$	US$	US$	US$
Financial assets				
Financial assets at amortised cost	13,228,481	11,993,512	28,209,373	20,390,646
Financial assets at FVTPL	159,000	159,000	-	-
Financial liabilities				
Financial liabilities at amortised cost	367,017,586	351,055,290	25,655,171	17,013,498
Lease liabilities	49,876,948	95,447,179	14,670,068	14,331,791
Financial liabilities at FVTPL	162,664	-	-	-
Derivatives designated in hedge relationships	-	263,816	-	-

(b) Financial risk management policies and objectives

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Management team then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel. There has been no change to the Group's exposure to these financial risks or the manner in which it manages the risk.

The finance personnel measure actual exposures against the limits set and prepare regular reporting for the review of the management team and the Board of Directors. The information below is based on information received by key management.

(i) <u>Market risk</u>

Currency risk

The Group has no significant concentration of currency risk since the commercial transactions are primarily in United States dollar which is the Company's and subsidiaries' functional currency.

28 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(i) Market risk (cont'd)

Interest rate risk

The Group is exposed to significant interest rate risks arising from its floating rate bank borrowings. The Group's policy is to mitigate a substantial portion of this exposure by entering into interest rate swap and/ or option agreements.

The Group's bank borrowings at variable rates are denominated mainly in United States dollar. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At 31 December 2020, if the United States dollar interest rates had increased/ decreased by 0.5% (2019 : 0.5%) with all other variables including tax rate being held constant, the loss after tax for the year would have been higher/lower by US$1,628,816 (2019 : US$1,276,141) as a result of higher/lower interest expense on these borrowings.

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2020, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

28 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(ii) Credit risk (cont'd)

Credit risk is limited to the risk arising from the inability of a debtor to meet payment when due. It is the Group's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses as at the end of reporting period.

The carrying amounts of cash and bank balances and trade and other receivables represent the Group's maximum exposure to credit risk. No other financial asset carrying a significant exposure to credit risk. Cash at bank is placed with reputable financial institutions.

As at the end of the reporting period, the Group had no charter hire receivables past due and/ or impaired.

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets presented on the statement of financial position, including:

	Company	
	2020	2019
	US$	US$
Corporate guarantees provided to banks on subsidiaries' loan (Notes 13 and 14)	404,064,472	408,380,667

(iii) Liquidity risk

The Group monitors its liquidity risk and maintains a level of bank balances deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows, subject to the outcome of the plans disclosed in Note 1. Short-term funding is obtained from short-term bank loans and shareholders' loans. As at 31 December 2020, the Group's current liabilities exceeded its current assets by US$6,209,773 (31 December 2019 : US$52,877,077) and the Company's current assets exceeded its current liabilities by US$2,864,572 (31 December 2019 : Company's current liabilities exceeded its current assets by US$2,684,457). Management's assessment on going concern of the Group and the Company is disclosed in Note 1 to the financial statements.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

28 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Liquidity risk (cont'd)

Group	Trade and other payables US$	Borrowings US$	Total US$
31 December 2020			
On demand or within 1 year	9,700,395	13,440,230	23,140,625
Within 2 to 5 years	2,625,332	333,916,015	336,541,347
Adjustment	(169,814)	(14,973,452)	(15,143,266)
Total	12,155,913	332,382,793	344,538,706
31 December 2019			
On demand or within 1 year	6,302,593	23,356,020	29,658,613
Within 2 to 5 years	741,611	346,109,127	346,850,738
Adjustment	(70,778)	(40,223,121)	(40,293,899)
Total	6,973,426	329,242,026	336,215,452
Company			
31 December 2020			
On demand or within 1 year	720,507	-	720,507
Within 2 to 5 years	2,625,332	-	2,625,332
Adjustment	(169,814)	-	(169,814)
Total	3,176,025	-	3,176,025
31 December 2019			
On demand or within 1 year	1,502,827	-	1,502,827
Within 2 to 5 years	741,611	-	741,611
Adjustment	(70,778)	-	(70,778)
	2,173,660	-	2,173,660

The liquidity analysis for lease liabilities and derivative instruments for the Company and the Group are disclosed in Notes 14 and 15 respectively.

(c) Capital management policies and objectives

The Group's objectives when managing capital are to ensure that the Group is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary to ensure that the Group will be able to continue as a going concern and to ensure all externally imposed financial covenants are met.

The management's strategy remained unchanged from previous year.

28 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Capital management policies and objectives (cont'd)

The Board of Directors monitors capital based on gearing ratio. Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as bank borrowings, lease liabilities, redeemable convertible loans, provision, derivative financial instruments and trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group	
	31 December 2020	31 December 2019
	US$	US$
Net debt	451,350,636	437,025,573
Total equity	86,667,479	139,783,415
Total capital	538,018,115	576,808,988
Gearing ratio	84%	76%

The Group is in compliance with financial covenants imposed by the financial institutes.

(d) Fair value measurements

The following table presents financial liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
31 December 2020				
Derivative financial instruments	-	(162,664)	-	(162,664)
31 December 2019				
Derivative financial instruments	-	(263,816)	-	(263,816)

The fair values of the Group's derivative financial instruments are determined using quoted market rates at the end of the reporting period. These instruments are included in Level 2.

28 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(d) Fair value measurements (cont'd)

The carrying value of current receivables, payables and finance lease payable are assumed to approximate their fair values. The fair value of non-current borrowings is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of current borrowings approximates their carrying amount.

29 EVENTS AFTER REPORTING PERIOD

(a) In April 2021, the Group has entered into a sale and lease termination agreement with its lessor and memorandum of agreement with a third party buyer of one of the PCTC vessels operated by the Group at US$42,669,000, net of 1% broker commission. As part of the agreement, the buyer had agreed to time charter the vessel from the Group until the delivery of the vessel to the buyer under memorandum of agreement. The vessel was delivered to the buyer on 27 August 2021.

(b) Subsequent to the end of the financial year, the Group has breached a financial covenant under the US$257 million loan facility as the Group has not met the minimum cash requirement as well as a mandatory prepayment clause under the US$257 million facility, which required the Group to make a prepayment of US$10 million on its US$257 million facility.

As at the date of authorisation of these financial statements, the Group has successfully obtained a waiver of the financial covenants and mandatory prepayment of US$10 million until 30 November 2021 ("Waiver Period"), to enable the Group to refinance its existing loan facilities. Refer to Note 1 for further details.

30 RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassification has been made to the prior year's financial statements to enhance comparability with the current year's financial statements to reclassify the accruals of interest on redeemable convertible loans, amounting to US$670,833, as non-current liability instead of current liability as the interest is repayable by end of 2023.

As a result, certain line items have been amended in the statements of financial position and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

APPENDIX D – Former Group Financial Statements for 2019

Deloitte.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.
(Registration No. 201908410W)

DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS

PERIOD FROM 15 MARCH 2019
(DATE OF INCORPORATION) TO
31 DECEMBER 2019

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the Company for the financial period from 15 March 2019 (date of incorporation) to 31 December 2019.

In the opinion of the directors, the accompanying financial statements of the Company as set out on pages 7 to 25 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Company for the financial period from 15 March 2019 (date of incorporation) to 31 December 2019 and at the date of this statement,with the continuous financial support from its related companies as disclosed in Note 4 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Stephen Woodruff Fordham	(Appointed on 15 March 2019)
Lui Nai Hui	(Appointed on 15 March 2019)
Camilla Margareta Stromstad	(Appointed on 15 March 2019)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and Company in which interests are held	Shareholdings registered in name of director		Shareholdings in which directors are deemed to have an interest	
Gram Car Carriers Holdings Pte Ltd (Ordinary shares)	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
Lui Nai Hui	-	-	-	171,513

4 SHARE OPTIONS

(a) *Option to take up unissued shares*

During the financial year, no option to take up unissued shares of the Company was granted.

(b) *Option exercised*

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company under option.

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....
Stephen Woodruff Fordham
Director

....
Lui Nai Hui
Director

Singapore
22 September 2020

Deloitte & Touche LLP
Unique Entity No. T08LL0721A
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809

Tel: +65 6224 8288
Fax: +65 6538 6166
www.deloitte.com/sg

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Global Car Carriers Holdings Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from 15 March 2019 (date of incorporation) to 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 25.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial performance, changes in equity and cash flows of the Company for the period from 15 March 2019 (date of incorporation) to 31 December 2019.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As disclosed in Note 1 to the financial statements, as at 31 December 2019, the Company is in a net liability position of US$1,109,261 and recorded a loss of US$1,109,461 for the year then ended. As at 3 July 2020, Gram Car Carriers Holdings Pte Ltd (the holding company) and its subsidiaries (the "Group") was in the advanced stage of negotiations with its Lenders and Lessors for deferred payment arrangements in 2020 and 2021, to pay interest and/or principal when the Group earns its revenue ("Pay-As-You-Earn"), with the objective of achieving a comprehensive amendment to the secured bank loans and lease obligations, so as to maintain sufficient liquidity and cash flows for working capital.

The Company's ability to continue as a going concern for at least 12 months from the date of this report is highly dependent on the successful conclusion of the negotiations between the Lenders and Lessors of the Group and continued financial support from its related companies, Global Car Carriers III Ltd, Global Adventure Pte Ltd and Global Bravery Pte Ltd. These matters, along with other matters as set forth in Note 1 to the accompanying financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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 and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

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 SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

22 September 2020

Deloitte.

Attachment 1

Notice of the Auditor

1. Deloitte & Touche LLP ("the Auditor"), the auditor of Gram Car Carriers Holdings Pte. Ltd. ("the Company"), has, on certain conditions, allowed limited disclosures of its audit reports on the financial statements of the Company and its Singapore subsidiary corporations (collectively, the “Group”) for the financial years ended 31 December 2019 and 31 December 2020 (“audit reports”).

2. The Auditor’s audit reports on the financial statements were prepared solely for the Company and for the purpose of fulfilling the Auditor’s duties as statutory auditors of the Group and for no other purpose. The audit reports should not be referred to in any document or distributed to any other party without the Auditor’s prior written consent.

3. The limited disclosures have been consented to by the Auditor on the basis that (i) the Auditor’s audit reports and the information in them should not be treated as sufficient, complete, adequate or suitable for the purposes of any other party as items of possible interest to any other party may not have been specifically addressed; and (ii) the Auditor, its partners, principals, and employees have no responsibility for any decision of any other party nor any responsibility to advise or consult with any other party regarding possible use of the audit reports in connection with any decisions, and the Auditor specifically disclaims its association with any such decisions. The Auditor, its partners, principals, and employees have no responsibility for the assessment, advice or other statement made by any other party or for any decision of any other party nor any responsibility to advise or consult with any other party regarding the possible use of our audit reports in connection with any assessment, advice, statements or decisions, and the Auditor specifically disclaims its association with any such assessment, advice, statement or decisions.

4. To the fullest extent permitted by law, the Auditor, its partners, principals and employees neither owe nor accept any duty (whether in contract or in tort or howsoever arising, including without limitation, negligence and breach of statutory duty) nor assume any responsibility to the Group or any other party in respect of any loss, damage or expense of whatsoever nature arising from any other party’s use of and reliance on the audit reports. If any other party wishes to rely upon the audit reports, they do so entirely at their own risk.

5. For the avoidance of doubt, the reference to “any other party” in this Notice includes without limitation, Gram Car Carriers ASA and/or its related entities and affiliates, existing and/or potential investors in the Company, Gram Car Carriers ASA and/or their related entities and affiliates, existing and/or potential lenders to the Company, Gram Car Carriers ASA and/or their related entities and affiliates, the Oslo Stock Exchange, any person or entity who accesses the audit reports on Gram Car Carriers ASA’s website and/or via Gram Car Carriers ASA’s announcement on the Oslo Stock Exchange.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

STATEMENT OF FINANCIAL POSITION
31 December 2019

	Note	2019
		US$
ASSETS		
Current assets		
Cash and cash equivalents	6	1,694,170
Other receivables	7	26,807
Total current assets		1,720,977
Non-current asset		
Long term receivables	7	1,560,000
Total non-current asset		1,560,000
Total assets		3,280,977
LIABILITIES AND NET CAPITAL DEFICIENCY		
Current liability		
Other payables	8	55,238
Total current liability		55,238
Non-current liability		
Long term payables	8	4,335,000
Total non-current liability		4,335,000
Total liabilities		4,390,238
Capital and accumulated losses		
Share capital	9	200
Accumulated losses		(1,109,461)
Total equity		(1,109,261)
Total liabilities and equity		3,280,977

The accompanying notes form an integral part of these financial statements.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Financial period from 15 March 2019 (date of incorporation) to 31 December 2019

	Note	15 March 2019 (date of incorporation) to 31 December 2019
		US$
Interest income	10	47,957
Operating expenses:		
- Impairment on receivables from related company	7	(1,100,000)
- Interest expenses		(55,238)
- Legal and professional fee		(1,920)
- Others		(260)
Total operating expenses		(1,157,418)
Loss before income tax		(1,109,461)
Income tax expense	11	-
Loss for the year, representing total comprehensive loss for the year		**(1,109,461)**

The accompanying notes form an integral part of these financial statements.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
Financial period from 15 March 2019 (date of incorporation) to 31 December 2019

	Share capital	Accumulated losses	Total
	US$	US$	US$
Balance at 15 March 2019 (date of incorporation)	200	-	200
Loss for the year, representing total comprehensive loss for the period	-	(1,109,461)	(1,109,461)
Balance at 31 December 2019	**200**	**(1,109,461)**	**(1,109,261)**

The accompanying notes form an integral part of these financial statements.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS
Financial period from 15 March 2019 (date of incorporation) to 31 December 2019

	Note	15 March 2019 (date of incorporation) to 31 December 2019
		US$
Operating activities		
Loss before income tax		(1,109,461)
Adjustments for:		
Impairment on receivables from related company	7	1,100,000
Interest income	10	(47,957)
Operating cash flows before movements in working capital		(57,418)
Other payables		55,238
Cash used in operations		(2,180)
Interest received (Note A)		21,150
Net cash from operating activities		**18,970**
Financing activities		
Proceeds from issuance of ordinary shares		200
Proceeds from loans from related companies		4,335,000
Loans to related companies		(2,660,000)
Net cash from financing activities		**1,675,200**
Net increase in cash and cash equivalents and at end of period	6	**1,694,170**

Note A

During the year, the Company received the payment of US$21,150 in the total interest income of US$47,957 on long term receivables from related companies.

The accompanying notes form an integral part of these financial statements.

1 GENERAL

The Company (Registration Number 201908410W) is incorporated and domiciled in Singapore with its principal place of business and registered office at 6 Temasek Boulevard, #39-02 Suntec Tower Four, Singapore 038986.The financial statements are expressed in United States dollars.

The principal activities of the Company are those relating to treasury activities.

The financial statements of the Company for the financial period from 15 March 2019 (date of incorporation) to 31 December 2019 were authorised for issue by the Board of Directors on 22 September 2020.

As at 31 December 2019, the Company is in a net liability position of US$1,109,261 and recorded a loss of US$1,109,461 for the year then ended. As at 3 July 2020, Gram Car Carriers Holdings Pte Ltd (the holding company) and its subsidiaries (the "Group") was in the advanced stage of negotiations with its Lenders and Lessors for deferred payment arrangements in 2020 and 2021, to pay interest and/or principal when the Group earns its revenue ("Pay-As-You-Earn"), with the objective of achieving a comprehensive amendment to the secured bank loans and lease obligations, so as to maintain sufficient liquidity and cash flows for working capital.

The Directors and management believe that the Lenders, Lessors and its other stakeholders will continue to support the Group, and that there is reasonable likelihood that the negotiations can be successfully concluded. The Company's ability to continue as a going concern for at least 12 months from the date of authorisation of these financial statements is highly dependent on the successful conclusion of the negotiations between the Lenders and Lessors of the Group and the continued financial support from its related companies, Global Car Carriers III Ltd, Global Adventure Pte Ltd and Global Bravery Pte Ltd.

The above matters indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and therefore, the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. The Directors and the management believe that a successful conclusion of the negotiations will improve the financial position of the Company and enable it to continue operations for at least the next twelve months from the date of authorisation of these financial statements. Hence, the Directors and management believe that the going concern assumption adopted in the preparation of the financial statements remains appropriate.

Accordingly, the financial statements do not include any adjustments relating to the realisation and classification of asset and liability amounts that may be necessary if the Company is unable to continue as a going concern. Should the going concern assumption be inappropriate, adjustments may have to be made to (i) reflect the situation that assets may need to be realised other than at their carrying amounts; (ii) provide for further liabilities that may arise; and (iii) reclassify non-current assets and non-current liabilities as current. No adjustments have been made in the financial statements in respect of these matters.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are discussed in Note 3.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Adoption of new and revised standards

On 1 January 2019, the Company adopted the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the period from 15 March 2019 (date of incorporation) to 31 December 2019.

At the date of authorisation of these financial statements, there is no FRSs, INT FRSs and amendments to FRSs that are relevant to the Company were issued but not effective.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets

Classification of financial assets

Debt instruments mainly comprise cash and bank balances and other receivables that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments that meet both the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through Profit or Loss (FVTPL).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Financial assets (Cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Company considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Financial assets (Cont'd)

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and subsequently carried at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a product or service to a customer.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

INCOME TAXES - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because its excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible.

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

CASH AND CASH EQUIVALENTS - For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash at bank which are subject to an insignificant risk of change in value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FOREIGN CURRENCY TRANSACTION AND TRANSLATION - The financial statements of the Company are presented in United States dollars, which is the functional currency of the Company.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies which are described in Note 2 above, management is of the opinion that there are no critical judgements or key sources of estimation uncertainty involved that have a significant effect on the amounts recognised in the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2019
	US$
Financial assets	
Financial assets at amortised cost	3,280,977
Financial liabilities	
Financial liabilities at amortised cost	4,390,238

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management

The Company's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reporting for the review of the management team and the Board of Directors. The information below is based on information received by key management.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) Foreign currency risk

The Company has no significant concentration of currency risk since the commercial transactions are primarily in United States dollar which is the Company's functional currency.

(ii) Interest rate risk

The Company is exposed to significant interest rate risks arising from its floating rate long term receivables from and long term payables to related companies.

The Company's long term receivables from and long term payables to related companies at variable rates are denominated mainly in United States dollar. At 31 December 2019, if the United States dollar interest rates had increased/decreased by 0.5% with all other variables including tax rate being held constant, the loss after tax for the year would have been higher/lower by US$18,750 as a result of higher/lower net interest expense on these long term receivables from and long term payables to related companies.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

In order to minimise credit risk, the Company develops and maintains its credit risk gradings to categories' exposures according to their degree of risk of default. The Company uses its own trading records to rate its major customers and other debtors.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Credit risk (Cont'd)

The Company's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	There is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

Credit risk is limited to the risk arising from the inability of a debtor to meet payment when due. It is the Company's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, the Company does not expect to incur material credit losses.

The carrying amounts of cash and bank balances and other receivables represent the Company's maximum exposure to credit risk. No other financial asset carrying a significant exposure to credit risk. Cash at bank is placed with reputable financial institutions.

As at the end of the reporting period, the Company had no receivables past due and/or impaired.

(iv) Liquidity risk

The Company monitors its liquidity risk and maintains a level of bank balances deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. Short-term funding is obtained via related companies' loans. As at 31 December 2019, the Company is in a net liability position of US$1,109,261 and recorded a loss of US$1,109,461 for the year then ended. Management's assessment on going concern of the Company is disclosed in Note 1 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Liquidity risk *(Cont'd)*

Non-derivative financial liabilities

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%		US$		
2019					
Other payables	-	55,238	2,400,000	-	2,455,238
Variable interest rate - other payables	3.42	-	2,001,177	(66,177)	1,935,000
		55,238	4,401,177	(66,177)	4,390,238

Non-derivative financial assets

The table below analyses non-derivative financial assets of the Company into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%		US$		
2019					
Other receivables	-	26,807	-	-	26,807
Variable interest rate - other receivables	3.42	-	1,613,352	(53,352)	1,560,000
		26,807	1,613,352	(53,352)	1,586,807

As at 31 December 2019, the Company is in a net liability position of US$1,109,261 and recorded a loss of US$1,109,461 for the year then ended. The Company is expected to continue to generate operating cash flows with the continued financial support from its related companies. The related companies will not call for payment of balances due to them unless the Company has the financial capability to make such repayments in full.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(v) Fair value measurements

The carrying value of cash and cash equivalents, current receivables and payables are assumed to approximate their fair values due to the relatively short-term maturity of these financial instruments.

The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Gram Car Carriers Holdings Pte. Ltd., incorporated in the Republic of Singapore, which is also the Company's immediate and ultimate holding company. Related companies in these financial statements refer to the members of the holding company's group of companies.

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related companies at terms agreed between the parties:

Sales, purchases, cost incurred and expenses

	15 March 2019 (date of incorporation) to 31 December 2019
	US$
Interest income	26,807
Interest expenses	(55,238)

The holding company and related companies balances are unsecured and interest-free, unless otherwise stated in Note 7 and Note 8.

There are no key management personnel apart from the Company's director. No directors' remuneration was distributed for the period from 15 March 2019 (date of incorporation) to 31 December 2019.

6 CASH AND CASH EQUIVALENTS

	2019
	US$
Cash at bank	1,694,170

7 OTHER RECEIVABLES AND LONG TERM RECEIVABLES

	2019
	US$
Other receivables from related companies (Note 5)	26,807
Long term receivables from related companies	2,660,000
Less: Impairment for receivable from related company	(1,100,000)
	1,586,807
Less: Current portion	(26,807)
Non-current portion	1,560,000

Long term receivables refer to the amount receivables from the related companies. The amount is unsecured. Interest is charged at 3-year treasury rate plus 175 basis points. The effective interest rate for the receivables is 3.42%.

The other receivables are interest free. Loss allowance for other receivables are measured at an amount equal to 12-month expected credit losses (ECL). For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. The Company has determined that the other receivables are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

8 TRADE AND OTHER PAYABLES AND LONG TERM PAYABLES

	2019
	US$
Other payables to related companies (Note 5)	55,238
Long term payables	4,335,000
	4,390,238
Less: Current portion	(55,238)
Non-current portion	4,335,000

Other payables due to a related company are unsecured and interest-free.

Long term payables refer to the amount payables to the related companies. The amount is unsecured.

Long term payables amounting US$2,400,000 and US$1,935,000 is interest free and interest bearing at 3-year treasury rate plus 175 basis points respectively. The effective interest rate for the interest bearing portion of long term payables is 3.42%.

As at date of these financial statements, the related companies have issued letters of financial support to the Company stating that they will not call for payment of balances due to them amounting to US$4,390,238 as at 31 December 2019 unless the Company has the financial capability to make such repayments in full.

9 SHARE CAPITAL

	2019	2019
	Number of ordinary shares	US$
Issued and fully paid:		
At date of corporation and end of year	200	200

The issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

10 INTEREST INCOME

	15 March 2019 (date of incorporation) to 31 December 2019
	US$
Related companies	26,807
Others	21,150
	47,957

11 INCOME TAX EXPENSE

The income tax expense varied from the amount of income tax expense determined by applying the Singapore tax rate of 17% to profit before income tax.

No provision for current income tax has been provided as there is no taxable profit for the financial year.

12 COMPARATIVE FIGURES

The current financial statements cover the financial period from the date of incorporation on 15 March 2019 to 31 December 2019. This being the first set of financial statements, there are no comparative figures.

13 EVENT AFTER REPORTING PERIOD

The outbreak of COVID-19 in early 2020 has caused disruptions to many industries globally. Despite the challenges, governments and international organisations have implemented a series of measures to contain the pandemic. At the date of authorisation of these financial statements, management expects its existing core business to be impacted by COVID-19. The Company will closely monitor the development of the pandemic and assess its impact on its operations continuously. As disclosed in Note 1, the Directors and the management believe that a successful conclusion of the negotiations will improve the financial position of the Company and enable it to continue operations for at least the next twelve months from the date of authorisation of these financial statements.

APPENDIX E – Vessel valuation reports – "*Paglia*"

Fearnleys

FEARNSALE

CERTIFICATE OF VALUATION

Name:	**PAGLIA**	Type:	Vehicles Carrier
IMO Number:	9427940	Built:	2010
Dwt:	11,369	Yard:	Yangfan Group Co Ltd

Estimated value: **MUSD 52.00-54.00**

as per 31 October 2022

Fearnleys

Date: 31 October 2022

QUALITY SYSTEM CERTIFICATION DNV·GL ISO 9001

This valuation is subject to our valuation disclaimer

Ref# sf77c1ae

Fearnleys

FEARNSALE

VALUATION DISCLAIMER

(i) Introduction

This valuation represents our opinion as to the fair and reasonable market value of the vessel(s) as specified, on the basis of the further assumptions set out herein as of the date hereof, and is given to the best of our knowledge.

(ii) Main valuation assumptions

This valuation is performed on the basis of "willing seller and willing buyer" at arm's length (assuming that no party is in a forced situation). The valuation is provided on a gross basis, not taking into account relevant transaction costs to bring a sale about. The valuation is provided on the basis of vessels being sold individually. No assurance can be given that the values can be sustained or are realisable in actual transactions.

The valuation and particulars are statements of opinion and are not to be taken as representations of fact. The figures relate solely to our opinion of the market value as of the date given and should not be taken to apply to any other date.

(iii) Factual assumptions and estimates and valuation methodology

The valuation may be based on factual assumptions and estimations and in some cases forward looking estimates. There may also exist uncertainty relating to the facts in question. A breach of these assumptions may have consequences for the valuation, rendering it invalid or non-representable.

Any forward looking estimates involve known and unknown risks, uncertainties and other factors which can result in a deviation from the estimates and might thus change the final result, outcome or development. Such forward looking statements may also be based on many assumptions relating to the vessel(s), the owner of the vessel and market conditions.

The valuation methodology is adapted to each case, based on our professional judgment, and the valuation depends upon this. A change in the method or the weighing of different factors may have consequences for the valuation, rendering it invalid or non-representable. In addition, the valuation may require the exercise of judgment, and differences of opinion as to the judgments may have consequences for the valuation.

Reference sales and prices might form part of our valuation, and such prices are only representative at and around the relevant time of transaction. Later transactions or subsequent market events might change the relevance of these prices significantly, and may have consequences for the valuation. New transactions concluded concurring with the finalization of our valuation may not have been taken into consideration. Estimation of potential sales prices based on estimates of bid- or ask prices on vessel(s) for sale might form part of our valuation, and its subjective and uncertain nature are prone to estimation errors.

Our valuation does not take into consideration the form or level of debt, if any. Any value of market debts relating to the vessel(s) or secured mortgages in the vessel(s) are not taken into consideration. Furthermore, our valuation does not take into account the potential implicit value of the vessel(s) based on an enterprise- or equity value of the owner of the vessel. Material changes in these market prices will therefore be deemed irrelevant for our valuation.

(iv) No physical inspection - good and seaworthy condition

We have not made a physical inspection of the vessel, nor have we inspected the classification or maintenance records. Our opinion is based on information of the vessel stipulated in standard reference books, or obtained by other sources as we have deemed appropriate. We have assumed for the purpose of the valuation that the vessel is in good and seaworthy condition with prompt charter free delivery (unless otherwise noted), with her class fully maintained, free of conditions and recommendations, undamaged and normally equipped. We have not assessed the validity of employment contracts or the standing of charterers. Our assumptions are made irrespective of any actual knowledge of facts to the contrary. We assume no responsibility for the accuracy of such assumptions or information. Any person contemplating entering into a transaction or otherwise relying on this valuation should satisfy himself by inspection of the vessel or otherwise as to the correctness of the statements and assumptions which the valuation contains.

(v) Conflicting mandates

We might have valuation assignments and/or other advisory mandates for your competitors or for potential buyers of similar vessel(s), which could be construed as a conflict of interest. We might also be involved as advisor or otherwise in transactions for purchase or sale of vessel(s), which we for confidentiality reasons may not take into account in our valuations.

(vi) Addressees

This valuation is provided solely for the use of the person to whom it is addressed for the intended non-public purposes. No liability or responsibility can be accepted towards any other person, neither by ourselves or our officers or directors. The valuation should not be disclosed to any third party, published or circulated without our written permission.

(vii) Date and duration

This valuation has been made as of the date specified, and is only representative of the fair value as of this date. It does not purport to be forward looking, and any material facts or matters of any kind arising up to or beyond this date may have significance for the assumptions and the opinion and estimation of fair market value stated herein.

This valuation shall be governed by the Agreement and Norwegian law, with Oslo city court as exclusive venue for any disputes arising in relation hereto.

Fearnleys

Date: 31 October 2022

QUALITY SYSTEM CERTIFICATION DNV·GL ISO 9001

HESNES SHIPPING

To: Gram Car Carriers ASA

Att: Georg A Whist

CERTIFICATE OF VALUATION

The below estimates are based on the Vessels' descriptions as known.

Hesnes Shipping AS makes it clear that it has neither made a physical inspection of the Vessel, nor inspected the Vessels' Classification Records, but it is assumed for the purpose of this Valuation that the Vessel is in good and seaworthy condition, free of maritime liens and all debts whatsoever, fully classed to the requirements of the present classification society, free of class recommendations, with clean and valid trading certificates. No warranty is given as to the condition of the Vessel, the correctness of the stated characteristics or particulars, or the state of or availability of its records.

The Valuation of the Vessel is made, using known market information from the international shipping market. After careful consideration, Hesnes Shipping AS is of the opinion that the market value of the below Vessel as of 1st November 2022 on the basis of prompt, charter free delivery, and in a hypothetical transaction between a willing Buyer and a willing Seller for cash payment under normal commercial terms, is:

Paglia	2010	4900 units	About USD 53-56 mill

The figures mentioned above relates solely to opinion of the approximate market values as of 1st November, 2022 and should not be taken to apply to any other date. The estimated market values are for the valuation date only and no assurance is given that the value will be sustained or is realisable in an actual transaction. Any changes or corrections or altering of the methodology could result in different valuations for the same vessel on the same valuation date but on different issue dates.

This Valuation shall not be taken as representations of fact. Any person contemplating entering a transaction or otherwise relying upon this valuation, should satisfy himself by inspection of the Vessel or otherwise as to the correctness of the statements which this Valuation contains, and no assurance can be given that the value will be sustained or that it would be realisable in an actual transaction.

This Certificate is for the private use of the Addressee and is not for circulation or publication without our written permission. Whereas efforts have been made to ensure the accuracy of this valuation, Hesnes Shipping AS do not guarantee its correctness and accepts no liability for any use or reliance hereon, indirectly, directly or otherwise.

The Addressee shall release, defend, indemnify and hold harmless Hesnes Shipping AS from and against any claims arising out of loss or damage suffered by any third party in connection with this Certificate.

It should be noted that the car carrier market is in an extremely volatile stage following the present global financial crisis provoked by Covid-19, and all statements made are statements of opinion in what may be an early stage of a recession period and this may affect the future valuation of this vessel.

This Certificate is given under Norwegian law and the legal venue for any dispute arising hereunder is Oslo District Court.

1st November 2022
For Hesnes Shipping AS
Morten Lunde

Hesnes Shipping AS, P.O.Box 104 Borgheim, 3163 Nøtterøy, Norway
T: +47 33 30 44 44 / F: +47 33 30 44 88 / hesnes.shipping@hesnes.no / Enterprise no.: NO 942 165 951 VAT

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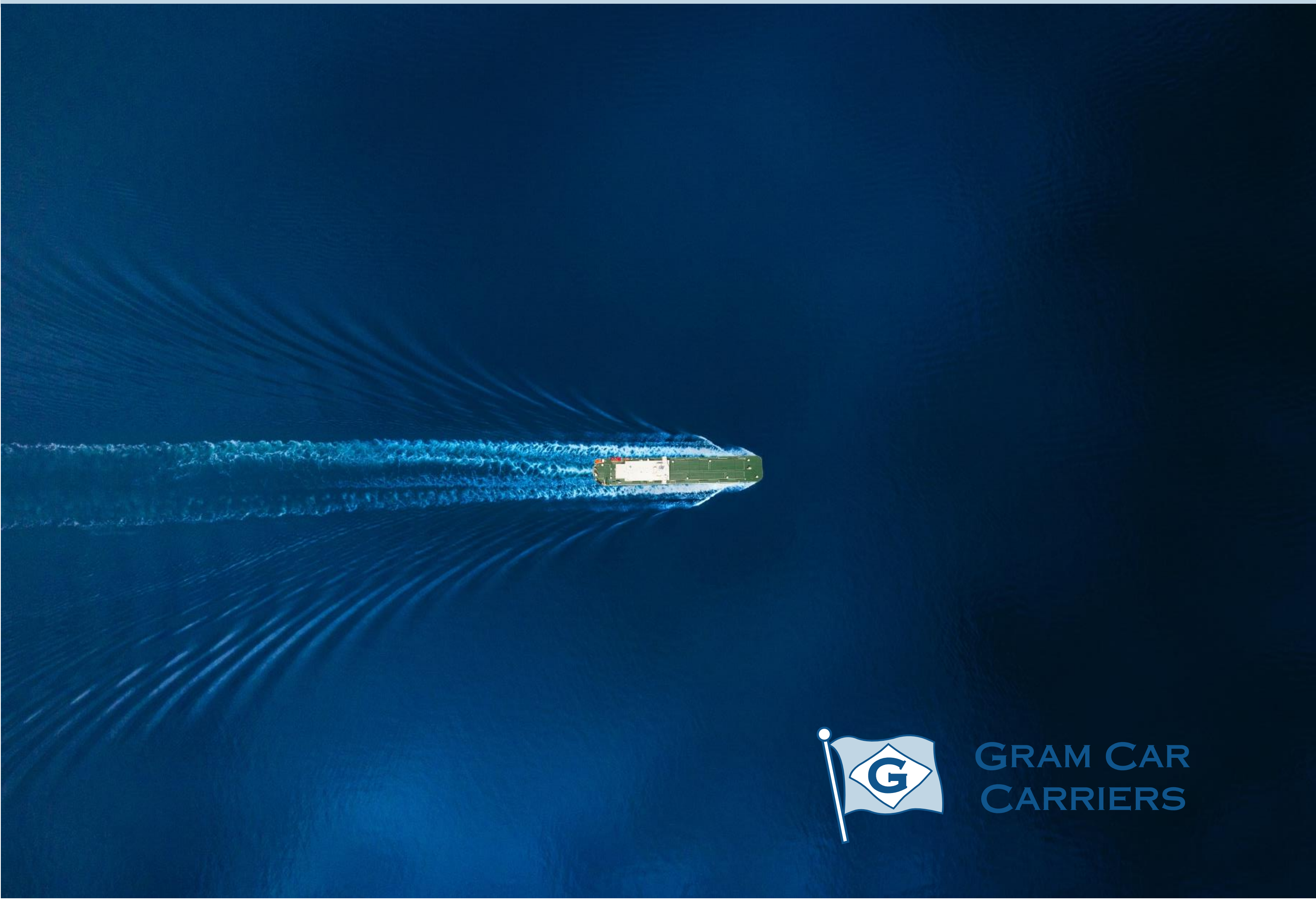
APPENDIX F – Audited Financial Statements for the periods 1 January – 30 June 2022 and 1 January – 31 December 2021

Gram Car Carriers ASA

Audited financial statements

1 January – 30 June 2022 (H1 2022)

1 January – 31 December 2021 (2021)



Consolidated financial statements

Consolidated statement of income

In USD thousands	Notes	H1 2022 (6 months)	2021 (12 months)
Operating revenue	6	51,274	78,029
Vessel operating expenses	7	(18,863)	(34,479)
Administrative expenses	8	(3,555)	(8,162)
EBITDA		**28,856**	**35,388**
Depreciation	11/12	(13,655)	(24,792)
Operating result (EBIT)		**15,201**	**10,596**
Financial income	9	405	339
Financial expenses	9	(8,178)	(18,402)
Profit/ (loss) before tax (EBT)		**7,429**	**(7,466)**
Income tax expense	10	-	(6)
Profit/ (loss) for the period		**7,429**	**(7,472)**
Attributable to:			
Equity holders of the parent company		7,429	(7,935)
Non-controlling interests		-	463
		7,429	(7,472)
Earnings per share (USD):			
Basic earnings per share		0.26	(0.03)
Diluted earnings per share		0.26	(0.03)

Consolidated statement of comprehensive income

In USD thousands	Notes	H1 2022 (6 months)	2021 (12 months)
Profit/ (loss) for the period		7,429	(7,472)
Exchange differences on translation of foreign operations		48	43
Total comprehensive income		**7,477**	**(7,429)**
Attributable to:			
Equity holders of the parent company		7,477	(7,892)
Non-controlling interests		-	463

Consolidated statement of financial position

In USD thousands	Notes	30 Jun 2022	31 Dec 2021	01 Jan 2021 (IFRS)[1]
Assets		**562,162**	**494,683**	**550,827**
Non-current assets		529,886	474,635	492,679
Vessels and other tangible assets	11	378,385	410,605	425,546
Right-of-use assets	12	151,171	62,871	65,974
Other non-current assets		330	1,159	1,159
Current assets		32,276	20,049	58,147
Assets held for sale	27	-	-	42,669
Fuel and lubrication oil		1,903	1,738	2,633
Trade and other receivables	13	1,592	1,839	658
Cash and cash equivalents	14	26,496	15,960	11,571
Other current assets	15	2,285	512	617
Equity and liabilities		**562,162**	**494,683**	**550,827**
Equity	22	222,463	79,239	86,667
Non-current liabilities		284,784	121,397	399,803
Interest-bearing debt - non-current	16	197,417	63,437	327,970
Lease liabilities - non-current	17	87,367	30,477	46,712
Derivative financial instruments		-	-	163
Redeemable convertible loans	18	-	27,483	24,958
Current liabilities		54,915	294,048	64,357
Interest-bearing debt – current	16	29,200	263,323	4,413
Lease liabilities - current	17	12,004	16,902	48,439
Trade and other payables	19	9,558	10,596	9,700
Derivative financial instruments		-	98	-
Deferred income	6	4,153	3,129	1,238
Other current liabilities		-	-	567

[1] Reference is made to note 27 - First-time adoption of IFRS

Oslo, 11 October 2022

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

DocuSigned by:
Ivar Hansson Myklebust
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Ivar Hansson Myklebust
Chair

DocuSigned by:
Nikolaus H. Schües
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Hans Nikolaus Schües
Deputy Chair

DocuSigned by:
Alasdair Locke
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Alasdair James Dougall Locke

DocuSigned by:
Christine Rødsæther
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Christine Rødsæther

DocuSigned by:
443E5B0EF0FA45F...
Nils Kristoffer Gram

DocuSigned by:
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Gaby Bornheim

DocuSigned by:
C. Breuel
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Clivia Catharina Breuel

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Georg Alexander Whist
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Georg Alexander Whist
Chief Executive Officer

Consolidated statement of changes in equity

In USD thousands	Note	Share capital	Share premium	Retained earnings/ (acc. losses)	Other equity	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	1	27,669	-	-	-	-	27,669
Conversion of redeemable preference shares	1	1,042	-	-	(1,042)	-	-
Capital increase - private placement (cash)	1	3,623	62,259	-	-	-	65,882
Capital increase - private placement (contribution in kind)	1	2,736	47,010	-	-	-	49,746
Capital increase – contribution in kind (Old Group equity holders and non-controlling interests)	1	(256,204)	61,190	-	209,192	(14,178)	-
Transaction costs	1	-	-	-	(6,983)	-	(6,983)
Estimated effect of liquidation Old Group	1	-	-	-	491	-	491
Total comprehensive income for the period		-	-	7,429	48	-	7,477
Dividend paid		-	(1,057)	-	-	-	(1,057)
Equity at 30 June 2022		**9,657**	**169,402**	**(159,266)**	**202,670**	**-**	**222,463**
Equity at 31 December 2020		230,791	-	(158,759)	921	13,715	86,667
First-time adoption of IFRS adj.	27	-	-	-	-	-	-
Equity at 1 January 2021		230,791	-	(158,759)	921	13,715	86,667
Total comprehensive income for the period		-	-	(7,935)	43	463	(7,429)
Equity at 31 December 2021		**230,791**	**-**	**(166,695)**	**964**	**14,178**	**79,239**

Consolidated statement of cash flows

In USD thousands	Note	H1 2022 (6 months)	2021 (12 months)
Profit/ (loss) for the period		7,429	(7,466)
Financial (income)/ expenses		7,903	17,836
Depreciation	11/12	13,655	24,792
Income tax expense	10	-	(25)
Cash flow from operating activities before changes in working capital		28,987	35,137
Changes in working capital:			
Trade and other receivables	13	248	(1,181)
Fuel and lubrication oil		(166)	895
Other current assets		(1,773)	105
Other non-current assets		829	-
Trade and other payables	18	(1,034)	1,489
Deferred income		1,024	1,891
Cash flow from operating activities		**28,115**	**38,335**
Investment in vessels and other tangible fixed assets	11	(67,019)	(6,229)
Investment in right-of-use assets	12	(2,716)	(835)
Proceeds from sale of right-of-use assets	11	-	42,669
Cash flow from investing activities		**(69,735)**	**35,605**
Dividend paid		(1,057)	-
Proceeds from issue of shares	21	108,645	-
Proceeds from issue of debt	16	232,246	-
Proceeds from sale-lease-back financing	11/17	70,000	-
Repayment of debt	16	(332,810)	(7,393)
Repayment of lease liability	17	(18,009)	(48,140)
Interest paid on interest-bearing debt		(3,895)	(11,157)
Interest paid on lease liabilities		(2,936)	(2,904)
Other financial items		(27)	43
Cash flow from financing activities		**52,156**	**(69,551)**
Net change in cash and cash equivalents		10,536	4,389
Cash and cash equivalents at beginning of period	14	15,960	11,571
Cash and cash equivalents at end of period		**26,496**	**15,960**

Notes to the consolidated financial statements

Note 1 – General information

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

The shares of the Company are listed on Euronext Growth under the ticker 'GCC'.

These consolidated financial statements have been prepared in connection with the proposed listing of the shares in Gram Car Carriers ASA on the Oslo Stock Exchange and to satisfy the requirements regarding financial history and were approved by the Company's Board of Directors on 11 October 2022.

The financial statements cover the periods 1 January – 30 June 2022 (six months) and 1 January - 31 December 2021 (12 months) and as such the figures are not directly comparable.

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

For all periods up to and including the year ended 31 December 2021, the Group prepared its financial statements in accordance with Singapore FRS. These financial statements for the period ended 30 June 2022 are the first the Group has prepared in accordance with IFRS. Reference is made to note 27 for information on how the Group adopted IFRS.

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

Note 2 – Basis for preparation

The consolidated financial statements for the period 1 January 2022 – 30 June 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 consolidated financial statements are prepared based on the assumption of going concern.

Only standards and interpretations that are applicable to the Group have been included and the Group reviews the impact of these changes in its financial statements. There are some amendments to the standards effective from 1 January 2022. None of these have had any effect on the Financial Statements. The Group will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued. At the date of the approval of these FS, the group has not identified significant impact to the groups FS as a result of new standards or amendments effective 2023 or later.

Note 3 – Significant accounting policies

Consolidation

The consolidated financial statements comprise of the financial statements of Gram Car Carriers ASA and its subsidiaries as at 30 June 2022. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated. Subsidiaries are all companies where the Group has a controlling interest. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. The financial statements of the subsidiaries are prepared for the same accounting period as the Company, using consistent accounting principles for similar transactions and events under otherwise similar circumstances.

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

Revenue recognition

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

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

Operating expenses

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

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

Financial income and expenses

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

Foreign currency transactions

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

For subsidiaries with functional currencies other than USD, financial position items are translated at the rate of exchange at the balance sheet date, and income statements are translated at the exchange rate prevailing at the date of the transaction. Exchange differences arising on the translation are recognized in other comprehensive income as foreign currency differences.

Vessels and other tangible assets

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

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

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

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

Impairment of vessels and other tangible assets

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

Leases

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

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

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

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

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

Group as lessor

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

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

Assets held for sale

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

Fuel and lubrication oil

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

Trade and other receivables

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

Cash and cash equivalents

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

Share issuance

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

Earnings per share

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

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

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

Dividends

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

Financial liabilities

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

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

Provisions

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

Fair value measurement

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

Taxes

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

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

Related parties

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

Employee benefits

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

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

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

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

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

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

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

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

Accounting for the restructuring

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

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

Judgement
Management has used their judgement to assess how the restructuring and linked transactions as referred to above should be treated for accounting purposes, and if this qualifies as a business combination in the scope of IFRS 3. Management's assessment is that the series of linked transactions carried out in connection with the restructuring of the Group is for accounting purposes not considered to be a business combination

but a restructuring and refinancing of the Group, together with an issue of new shares (capital increase) and that the carrying values of assets and liabilities in the Group shall be carried on forward (continuity).

Carrying values in the Group's financial statements are on a going concern basis (continuity), whereas the Old Group's 2021 financial statements have been prepared on a basis other than that of a going concern as the sale of its assets are deemed to be a realisation and the Old Group will commence liquidation proceedings subsequently to the sale of all its assets to the Group. Consequently, the carrying values of assets in the Old Group had been impaired to net realisable value and classified as assets held for sale as at 31 December 2021. In order for carrying values of assets to be on a going concern basis, relevant adjustments have been made in the Groups financial statements' comparable numbers for 2021. Reference is made to note 26.

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

i. Depreciation, useful lives and residual values of vessels
Depreciation is based on estimates of the vessels' useful lives, residual values, scrapping costs and depreciation method, which are reviewed at each balance sheet date. Useful lives may change due to technological developments, market conditions and changes in regulations. The Group is committed to recycling its vessels in compliance with the Hong Kong convention and Norwegian Shipowners Association guidelines. In the assessment of residual value there is a considerable degree of uncertainty in estimating prevailing market prices for green recycling. Any changes in estimated useful lives and/or residual values impact the depreciation of the vessels prospectively.

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

Note 5 – Segment information

All the Group's vessels can be categorised in the pure car and truck carrier (PCTC) shipping segment and exhibit similar technical, trading, economic and financial characteristics.

The top three customers of the Group represent 16.1%, 11.8% and 11.7% of the Group's total time charter revenue during the six-month period ended 30 June 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	H1 2022	2021
Asia	34,042	51,129
Europe	13,258	21,128
Other	4,482	4,453
Total time charter revenue	**51,782**	**76,710**

Note 6 – Operating revenue

In USD thousands	H1 2022	2021
Time charter revenue	51,782	76,710
Time charter hire commissions	(934)	(1,055)
Management fees and time charter hire commissions	326	444
Other income	100	1,930
Total operating revenue	**51,274**	**78,029**

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

Deferred income of USD 4,153,000 at 30 June 2022 comprise advance payments from customers (31 December 2021: USD 3,129,000)

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 30 June 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	102,050	100,775	49,615	16,284	268,725

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 7 – Vessel operating expenses

In USD thousands	H1 2022	2021
Manning	9,834	18,882
Lubrication oil	1,032	1,718
Repair and maintenance	556	1,060
Spare parts	1,505	3,368
Insurance	1,128	1,747
Other	4,808	7,704
Total operating revenue	**18,863**	**34,479**

Note 8 – Administrative expenses

In USD thousands	H1 2022	2021
Personnel expenses	2,143	5,408
Legal fees	251	1,417
Audit fees - audit	35	137
Audit fees – non-audit	24	13
Other professional fees	461	585
Other administrative expenses	641	602
Total administrative expenses	**3,555**	**8,162**

At 30 June 2022 the Group had 15 employees (31 December 2021: 14).

Administrative expenses include transaction fees amounting to USD 435,000 (2021: USD 541,000) incurred in connection with the restructuring (ref note 1) 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.

Personnel expenses comprise of the following:

In USD thousands	H1 2022	2021
Salaries	949	2,006
Payroll taxes	218	238
Bonuses	888	2,566
Pensions	59	126
Share options	-	371
Other personnel expenses	29	101
Total	**2,143**	**5,408**

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

In 2020, a share option scheme was implemented for the Chief Executive Officer. Options are exercisable at USD 0.00001 per share and the number of options vesting represents the number necessary to maintain his ownership share on a fully diluted basis following conversion of redeemable convertible loans. In January 2022, in connection with the restructuring (ref note 1) and conversion of redeemable convertible loans to equity (ref note 18), all options were exercised, and 7,412,875 ordinary shares issued by Gram Car Carriers Holdings Pte. Ltd., the ultimate parent company of the Old Group.

Remuneration to management during H1 2022:

In USD thousands	Salary	Bonus	Pension	Other benefits	Total
Chief Executive Officer	202	1,388	5	1	1,596
Chief Operating Officer	85	427	5	1	518
Chief Financial Officer	146	325	13	5	489
Head of Projects	72	403	6	1	482

Remuneration to management during 2021:

In USD thousands	Salary	Bonus	Pension	Other benefits	Total
Chief Executive Officer	420	237	11	2	670
Chief Operating Officer	177	29	11	2	218
Chief Financial Officer	298	-	13	6	317
Head of Projects	144	21	11	2	178

Remuneration to Board:

In USD thousands	H1 2022	2021
Ivar Hansson Myklebust (Chair of the Board)	35	-
Hans Nikolaus Schües (Deputy Chair) – appointed 17 January 2022	14	-
Alasdair James Dougall Locke	21	-
Christine Rødsæther	22	-
Nils Kristoffer Gram	22	-
Gaby Bornheim – appointed 17 January 2022	12	-
Clivia Catharina Breuel – appointed 17 January 2022	12	-

The above fees relate to the period up until the Company's annual general meeting held 12 May 2022 where these fees were unanimously approved.

No remuneration was paid to the directors of the Company during 2021.

Note 9 – Financial income and expenses

In USD thousands	H1 2022	2021
Interest income	36	-
Other financial income	369	339
Total financial income	**405**	**339**
Interest expense	(7,568)	(17,615)
Other financial expenses	(610)	(787)
Total financial expenses	**(8,178)**	**(18,402)**

Note 10 – Income tax

In USD thousands	H1 2022	2021
Profit/ (loss) before tax (EBT)	7,429	(7,466)
Taxable profit of foreign entites	-	(6)
Tax at ordinary Norwegian tax rate (22%)	-	-
Total	**-**	**(6)**

The Group has estimated aggregate tax losses carried forward amounting to USD 11,125,000 in Norway at 30 June 2022 (31 December 2021: USD 1,816,000). The tax losses carried forward relate mainly to transaction costs relating to the private placement and a capital increase carried out in January 2022 and carried forward losses. 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 30 June 2022 are as follows:

In USD thousands	Vessels	Equipment	Total
Acquisition cost at 1 January 2022	685,214	27	685,241
Additions – Acquisition of vessels	72,513	-	72,513
Additions – Drydocking	3,962	-	3,962
Additions – Technical upgrade	1,449	-	1,449
Disposals of vessels	(127,273)	-	(127,273)
Acquisition cost 30 June 2022	635,866	27	635,893
Acc. depreciation at 1 January 2022	(211,935)	(7)	(211,942)
Acc. impairment at 1 January 2022	(62,695)	-	(62,695)
Depreciation for the period	(10,281)	-	(10,281)
Disposals	27,410	-	27,410
Acc. depreciation and impairment at 30 June 2022	(257,501)	(7)	(257,508)
Carrying amount at 30 June 2022	**378,365**	**20**	**378,385**
Acquisition cost at 1 January 2021	679,000	12	679,012
Additions – Drydocking	3,990	-	3,990
Additions – Technical upgrade	2,224	-	2,224
Additions	-	15	15
Acquisition cost 31 December 2021	685,214	27	685,241
Acc. depreciation at 1 January 2021	(190,766)	(5)	(190,771)
Acc. impairment at 1 January 2021	(62.695)	-	(62,695)
Depreciation for the period	(21,169)	(2)	(21,171)
Disposals			
Acc. depreciation and impairment at 31 December 2021	(274,629)	(7)	(274,636)
Carrying amount at 31 December 2021	**410,585**	**20**	**410,605**
Acquisition cost at 1 January 2020	674,659	10	674,669
Additions – Drydocking	4,084	-	4,084
Additions – Technical upgrade	257	-	257
Additions	-	2	2
Acquisition cost 31 December 2020	679,000	12	679,012
Acc. depreciation at 1 January 2020	(169,758)	(3)	(169,761)
Acc. impairment at 1 January 2020	(50,275)	-	(50,275)
Depreciation for the period	(21,008)	(2)	(21,010)
Impairment for the period	(12,420)	-	(12,420)
Acc. depreciation and impairment at 31 December 2020	(253,461)	(5)	(253,466)
Carrying amount at 31 December 2020	**425,539**	**7**	**425,546**

As at 30 June 2022, the Group operated 15 owned PCTS vessels.

The Group acquired the two PCTC vessels Viking Passama and Viking Passero in January 2022 for a total consideration of USD 61,628,000 with partial payment in cash and newly issued shares.

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. The vessels have hence been reclassified from Vessels and other tangible assets to Right-of-use assets during the six months period ending 30 June 2022. No gain or loss have been realised in connection with the transaction as the transaction is not considered a sale.

In April 2022, the Group completed a refinancing of a lease for the PCTC vessel Viking Drive, whereby the Group has exercised a purchase option and entered into a USD 15 million senior secured credit facility agreement to finance 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 six months period ending 30 June 2022.

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

Vessels with carrying value of USD 378,365,000 as at 30 June 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 30 June 2022 no such indicators have been identified.

Given that the valuation in connection with the private placement carried out in January 2022 (ref note 1 and 26) 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 30 June 2022 are as follows:

In USD thousands	Vessels	Office premises	Total
Acquisition cost at 1 January 2022	77,113	1,536	78,649
Additions – Acquisition of vessels	99,864	-	99,864
Additions – Drydocking	906	-	906
Additions – Technical upgrade	14	-	14
Additions – Transaction costs	1,795	-	1,795
Additions – Office premises	-	2	2
Disposal – Right-of-right-of-use assets	(16,704)	(244)	(16,948)
Acquisition cost 30 June 2022	162,988	1,294	164,282
Acc. depreciation January 2022	(14,742)	(1,036)	(15,778)
Depreciation for the period	(3,214)	(160)	(3,374)
Disposals	5,819	223	6,042
Acc. depreciation at 30 June 2022	(12,137)	(973)	(13,111)
Carrying amount at 30 June 2022	**150,851**	**320**	**151,171**
Acquisition cost at 1 January 2021	76,278	1,287	77,565
Additions – Drydocking	803	-	803
Additions – Technical upgrade	32	-	32
Additions	-	249	249
Acquisition cost 31 December 2021	77,113	1,536	78,649
Acc. depreciation 1 January 2021	(10,915)	(676)	(11,591)
Depreciation for the period	(3,827)	(360)	(4,187)
Acc. depreciation at 31 December 2021	(14,742)	(1,036)	(15,778)
Carrying amount at 31 December 2021	**62,371**	**500**	**62,871**
Acquisition cost at 1 January 2020	136,692	1,287	137,979
Additions – Technical upgrade	46	-	46
Disposals of right-of-use assets	(60,460)	-	(60,460)
Acquisition cost 31 December 2020	76,278	1,287	77,565
Acc. depreciation 1 January 2020	(12,994)	(318)	(13,312)
Acc. impairment 1 January 2020	(4,709)	-	(4,709)
Depreciation for the period	(5,664)	(358)	(6,022)
Impairment for the period	(5,339)	-	(5,339)
Disposals	17,791	-	17,791
Acc. depreciation at 31 December 2020	(10,915)	(676)	(11,591)
Carrying amount at 31 December 2020	**65,363**	**611**	**65,974**

As at 30 June 2022, the Group operated three leased PCTS vessels.

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. The vessels have hence been reclassified from Vessels and other tangible assets to Right-of-use assets during the six months period ending 30 June 2022.

In April 2022, the Group completed a refinancing of a lease for the PCTC vessel Viking Drive, whereby the Group has exercised a purchase option and entered into a USD 15 million senior secured credit facility agreement to finance 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 six months period ending 30 June 2022.

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

Transaction costs amounting to USD 1,795,000 have been capitalised under right-of-use assets in connection with the assumption of leases during the six months period ending 30 June 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 30 June 2022 no such indicators have been identified.

Given that the valuation in connection with the private placement carried out in January 2022 (ref note 1 and 26) 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	30 Jun 2022	31 Dec 2021	31 Dec 2020
Trade receivables	-	245	353
Tax receivables	1,270	-	-
Other current assets	-	1,458	-
Other receivables	322	136	305
Total trade and other receivables	**1,592**	**1,839**	**658**

Tax receivable of USD 1,270,000 as per 30 June 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 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 be recognised under other equity in January 2022 following the completion of the private placement and listing.

Note 14 – Cash and cash equivalents

In USD thousands	30 Jun 2022	31 Dec 2021	31 Dec 2020
Bank deposits (USD)	25,308	15,756	11,215
Bank deposits (NOK)	815	41	179
Bank deposits (NOK) - Restricted (employee withholding tax account)	275	89	92
Bank deposits (SGD)	50	74	85
Bank deposits (EUR)	21	-	-
Cash	27	-	-
Total cash and cash equivalents	**26,496**	**15,960**	**11,571**

Note 15 – Other current assets

In USD thousands	30 Jun 2022	31 Dec 2021	31 Dec 2020
Deposits	146	206	215
Other current assets	2,139	306	402
Total other current assets	**2,285**	**512**	**617**

Note 16 – Interest-bearing debt

USD thousands	30 Jun 2022	31 Dec 2021	1 Jan 2021
Interest-bearing debt – non-current	201,750	63,437	328,530
Amortised debt issuance costs	(4,333)	-	(560)
Total non-current interest-bearing debt	**197,417**	**63,437**	**327,970**
Interest-bearing debt – current	29,200	263,323	4,413
Total interest-bearing debt	**226,617**	**326,760**	**332,383**

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 1.

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

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

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

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

The USD 222 million and USD 15 million senior secured credit facilities are secured by mortgages over 15 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
					326,760	332,943
Amortised debt issuance costs					-	(560)
Total interest-bearing debt					**326,760**	**332,383**

Reconciliation of movements in Group's interest-bearing debt for the six months' period ending 30 June 2022 and year ending 31 December 2021:

USD thousands	H1 2022 (6 months)	2021 (12 months)
Interest-bearing debt (current and non-current) at beginning of period	326,760	332,383
Repayment of debt	(332,810)	(7,393)
Interest capitalised to loan	-	1,210
Issuance of new debt	237,000	-
Debt issuance costs	(4,754)	-
Non-cash amortisation of debt issuance costs	421	560
Interest-bearing debt (current and non-current) at end of period	**226,617**	**326,760**

Note 17 – Lease liabilities

Details of the Group's lease liabilities at 30 June 2022 are as follows:

USD thousands	Currency	Facility amount	Margin	Maturity	Out-standing
Lease (Viking Adventure/Viking Bravery)	USD	70,000	4.00%	Jan 2030	67,506
Lease (Viking Destiny)	USD	41,702	3.85%	Mar 2027	31,518
Other lease liabilities					347
Total lease liabilities at 30 June 2022					**99,371**

In January 2022, the Group entered into a USD 70 million sale-and-lease-back financing for two PTCS vessels, Viking Adventure and Viking Bravery, ref note 11 and 12. The transaction was completed on 25 January 2022 and existing financing on the vessels was fully repaid on the same date. The Group has the option to repurchase the vessels starting from January 2024 and an obligation to repurchase the vessels at the maturity of the leases.

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

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

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
Total lease liabilities					**47,379**	**95,151**

Reconciliation of movements in Group's lease liabilities for the six months' period ending 30 June 2022 and year ending 31 December 2021:

USD thousands	H1 2022 (6 months)	2021 (12 months)
Lease liabilities (current and non-current) at beginning of period	47,379	95,151
Repayment of lease liabilities	(18,009)	(48,140)
Proceeds from sale-and-lease-back transaction	70,000	-
Addition	-	249
Interest capitalised	-	393
Non-cash amortisation of interest	-	(274)
Lease liabilities (current and non-current) at end of period	**99,371**	**47,379**

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 1), 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 six months' period ending 30 June 2022 and year ending 31 December 2021:

USD thousands	H1 2022 (6 months)	2021 (12 months)
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	-
Redeemable convertible loans (incl. accrued interest) at end of period	**-**	**27,483**

Note 19 – Trade and other payables

In USD thousands	30 Jun 2022	31 Dec 2021	31 Dec 2020
Trade payables	2,754	354	1,745
Accrued interest	1,986	1,819	2,394
Accrued expenses	4,369	7,742	5,535
Other payables	449	681	26
Total trade and other payables	**9,558**	**10,596**	**9,700**

Note 20 – Transactions with related parties

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

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

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

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

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

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

In USD thousands	Related party	H1 2022	2021
Technical ship management fees	Reederei F. Laeisz GmbH	(151)	-
Charter hire commissions	Martini Dry Chartering GmbH	(72)	-
Commissions	Global Auto Carriers Group	171	-
Trademark license	P D Gram & Co AS	(101)	-

All related party transactions are carried out at market terms.

Note 21 – Group companies

Overwiew 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%

Note 22 – Share capital and shareholders

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

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

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

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

Largest shareholders at 30 June 2022 are set out below:

Shareholder	No of shares	In % of total
F. Laeisz GmbH	7,252,255	25.25%
AL Maritime Holding Pte. Ltd.	2,079,695	7.24%
Glenrinnes Farms Limited	1,938,782	6.75%
HM Gram Investments III Limited/ HM Gram Enterprises Limited/ HMG AS	1,790,496	6.23%
J. Lauritzen A/S	1,635,377	5.69%
Car Carrier Partners L.P.	1,220,901	4.25%
BNP Paribas Securities Services (nominee)	832,040	2.90%
AS Clipper	817,688	2.85%
Verdipapirfondet DNB SMB	796,477	2.77%
BNP Paribas Securities Services (nominee)	710,122	2.47%
Others	9,647,971	33.59%
Total	**28,721,804**	**100.00%**

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	CEO	Currus Navi AS	238,009	0.83%
Børre Mathisen	COO		30,035	0.10%
Gunnar Koløen	CFO		18,745	0.06%
Harald Mathias Gram	Head of Projects	HM Gram Investments III Limited/ HM Gram Enterprises Limited/ HMG AS	1,790,496	6.23%
Ivar Hansson Myklebust	Chair of the Board	H & M Hinderaker & Myklebust AS	30,000	0.10%
Hans Nikolaus Schües	Deputy Chair	F. Laeisz GmbH	7,252,255	25.25%
Alasdair James Dougall Locke	Board Member	Glenrinnes Farms Limited	1,938,782	6.75%
Christine Rødsæther	Board Member		18,745	0.06%
Nils Kristoffer Gram	Board Member		1,886	0.01%
Total			**11,318,953**	**39.39%**

Board Member Clivia Catharina Breuel and Alternate Board Member Nicolaus Bunnemann hold indirect ownership in the Company through AL Maritime Holding Pte. Ltd. which as at 30 June 2022 held 2,079,695 shares in the company (equivalent to 7.24%).

Note 23 – Financial instruments

Categories of financial assets are set out below:

USD thousands	30 Jun 2022	31 Dec 2021	31 Dec 2020
Instruments at amortised cost:			
Other non-current assets	330	1,159	1,159
Trade and other receivables	1,592	1,839	658
Cash and cash equivalents	26,496	15,960	11,571
Total financial assets	**28,418**	**18,958**	**13,388**

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	30 Jun 2022	31 Dec 2021	31 Dec 2020
Instruments at amortised cost:			
Interest-bearing debt	226,617	326,760	332,383
Lease liabilities	99,371	47,379	95,151
Redeemable convertible loans	-	27,483	24,958
Trade and other payables	9,558	10,596	9,700
Instruments at fair value through profit and loss:			
Derivative financial instruments (interest rate caps)	-	98	163
Total financial liabilities	**335,546**	**412,316**	**462,355**

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 24 – 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 my 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 and lease liabilities. The Group's bank borrowings at variable rates are denominated mainly in United States dollar. The Group's may from time to time seek to mitigate a substantial portion of this exposure by entering into derivative financial instruments, including interest rate swap and/or interest rate caps. As per 30 June 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 10% during the six months financial period ending 30 June 2022. Total floating rate interest-bearing debt and lease liabilities as at 30 June 2022 was USD 330,321,000.

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 aim to enter into contracts only with creditworthy counterparts. Prior to entering into charterparties 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 30 June 2022 are as follows:

USD thousands	< 1 year	1-3 years	4-5 years	> 5 years	Total
Interest-bearing debt	29,200	55,970	145,780	-	230,950
Lease liabilities	12,004	17,986	34,060	35,321	99,371
Interest	20,046	32,949	19,930	4,572	77,497
Trade and other payables	9,558	-	-	-	9,558

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 30 June 2022 the book equity ratio was 40.0%. Value adjusted equity as at 30 June 2022 is significantly higher than book equity. 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 – 30 June 2022 the Company has made a total of USD 1,057,000 in distributions to shareholders. An additional USD 2,671,000 distribution was approved by the Board of directors on 18 August 2022.

Note 25 – Subsequent events

The Group has subsequently to the balance sheet date completed a refinancing of a lease for the PCTC vessel Viking Destiny, whereby the Group has exercised a purchase option and entered into a USD 40 million senior secured credit facility agreement to finance the vessel. The transaction was completed on 25 August 2022 and the purchase price for the vessel comprise the lease liability then outstanding at USD 27,517,000. Upon completion of the transaction the vessel will be reclassified from right-of-use assets to vessels and other tangible assets.

Subsequently to the balance sheet date the Group has introduced a Long-term incentive program for all employees, whereby employees can participate by purchasing shares and commit to lock up a certain number of shares (or existing shares owned by the employees) until 30 June 2025. In return the employees will be awarded up to three matching shares for each share locked up, depending on performance against set criteria relating to financial results and accomplished ESG rating of the Group. A total of 94,634 shares have been locked up by employees and the maximum number of shares that can be awarded is 283,902.

Subsequently to the balance sheet date a total of 800,000 share options (equivalent to approx. 2.78% of the company's share capital) have been granted to primary insiders of GCC. Each option, when exercised, carries the right to acquire one share in GCC, giving the right to acquire up to in aggregate 800,000 shares. The strike price for the options is NOK 94.6154, which has been set based on a 5-trading day volume weighted average price (VWAP) at the latest annual general meeting of GCC prior to the award date, i.e. 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 in the period. The options will vest over a period of three years, in equal parts yearly, and will lapse 2 years after the expiry of the vesting period.

Subsequently to the balance sheet date the Group has entered new time charter parties with estimated total gross revenue amounting to USD 326.2 million.

Note 26 – Adjustments relating to comparative period figures for the year ended 31 December 2021

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

[1] Prepared in accordance with Singapore Financial Reporting Standards (Singapore FRS), reference is made to Note 27 - First-time adoption of IFRS.

Consolidated statement of financial position

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

[1] Prepared in accordance with Singapore Financial Reporting Standards (Singapore FRS), reference is made to Note 27 - 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 27 – First-time adoption of IFRS

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

Accordingly, the Group has prepared financial statements that comply with IFRS, applicable as of 30 June 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 26.

Statement of financial position at 1 January 2021

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

Assets classified as held for sale (Note A)

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

Statement of financial position at 31 December 2021

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

[1] Adjusted Singapore FRS, reference is made to Note 26 - Adjustments relating to comparative period figures for the year ended 31 December 2021.

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

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

[1] Adjusted Singapore FRS, reference is made to Note 26 - Adjustments relating to comparative period figures for the year ended 31 December 2021.

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 – 30 June 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, 11 OCtober 2022

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

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Ivar Hansson Myklebust
Chair

DocuSigned by: Nikolaus H. Schües
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Hans Nikolaus Schües
Deputy Chair

DocuSigned by: Alasdair Locke
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Alasdair James Dougall Locke

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Gaby Bornheim

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Clivia Catharina Breuel

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Georg Alexander Whist
Chief Executive Officer

Alternative performance measures and glossary

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

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

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

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

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

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

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

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

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

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

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

CEU: Car Equivalent Units

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

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

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

Gram Car Carriers ASA
Bryggegata 9 (Aker Brygge),
0250 Oslo, Norway
Phone: +47 22 01 74 50
E-mail: mail@gramcar.com

BDO AS
Lerstadvegen 517
6018 Ålesund

Independent Auditor's Report

To the Board of Directors of Gram Car Carriers ASA

Opinion

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

The consolidated financial statements comprise of the balance sheets as at 30 June 2022 and 31 December 2021, the income statements and cash flows for the periods then ended, and notes to the financial statements, including a summary of significant accounting policies.	In our opinion the accompanying consolidated financial statements give a true and fair view of the financial positions of the Group as at 30 June 2022 and at 31 December 2021, and its financial performances and its cash flows for the periods then ended in accordance with International Financial Reporting Standard as adopted by the EU.

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 laws and regulations and 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.

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

The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view of the financial statements in accordance with the International Financial Reporting Standard 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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

BDO AS

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

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". 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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