



GRAM CAR
CARRIERS

Q4 2023 Interim report

Gram Car Carriers ASA

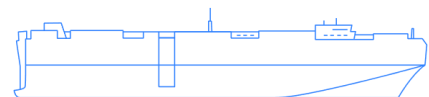
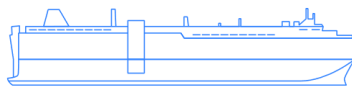
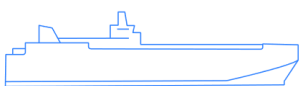


Gram Car Carriers in brief

GCC is the world's third-largest tonnage provider within the Pure Car Truck Carriers (PCTCs) segment with 18 vessels, across the Distribution, Mid-size and Panamax segments. The Company serves as a trusted provider of high-quality vessels and logistics solutions ensuring safe, efficient and punctual shipment of vehicles for a network of clients comprising of major global and regional PCTC operators.

Investment highlights

- Unique investment opportunity in leading PCTC tonnage provider
- Attractive market fundamentals with long-term upcycle unfolding
- Successfully capturing the historically strong market
- Policy of returning 75% of net profit to shareholders in quarterly dividends

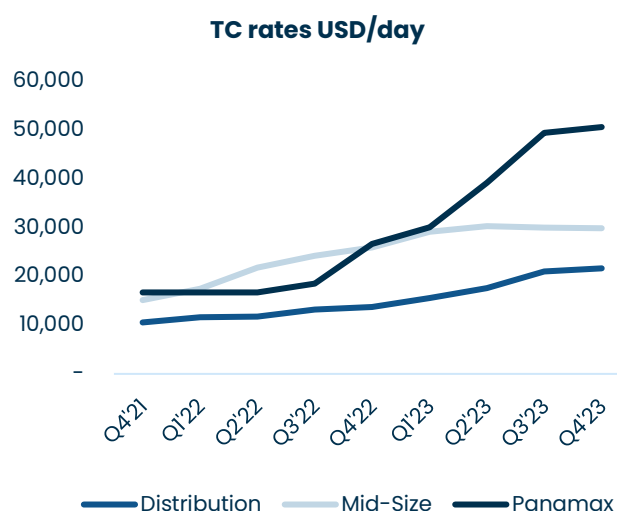
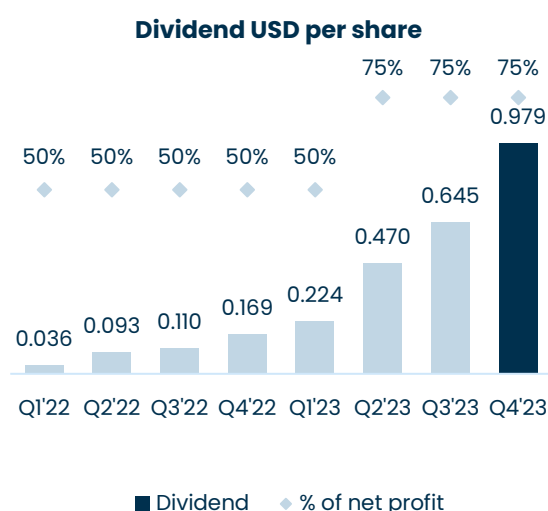


Q4 2023 highlights

- **Board of Directors approved dividend of USD 0.979 per share for Q4 2023, equal to 75% of the net profit of USD 37.8 million**
- **Eight consecutive quarter with increased dividend, up 52% from Q3 2023**
- **2023 total distribution of USD 67.2 million, equal to USD 2.318 per share**
- **Q4 2023 revenue of USD 56.4 million and EBITDA of USD 41.6 million**
- **Q4 2023 average TCE rate per day: Panamax USD 50,570, Mid-size USD 29,840 and Distribution USD 21,620**
- **Total revenue backlog of USD 851 million at end Q4 2023**
- **Successfully refinanced 2 vessels in Q4 at lower borrowing cost**
- **Sale of Viking Amber (4,200 CEU, 2010) to capture high second-hand values**
- **Favourable market outlook with high charter rates and long contract durations**

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

"We continue to deliver on our strategy focused on excellent customer service and strong operational performance which translate into profitable growth and increased dividend distributions to our shareholders. Our vision of being a leader in sustainable transport solutions to the global auto industry stands firm as we go into 2024 with a near record revenue backlog supporting long-term earnings visibility and attractive quarterly dividends."



Key figures

Q4 2023 (Q3 2023)



Revenue
USD 56.4 million
(USD 54.9 million)

EBITDA

USD 41.6 million
(USD 40.5 million)

Net profit

USD 37.8 million
(USD 24.9 million)

Dividend proposed

USD 28.37 million
(USD 18.70 million)



Average TC rate¹
USD 32,300
(USD 31,370)

Utilisation

99%
(98%)

Planned/unplanned off-hire

8/1 days
(27/8 days)

Average cash break-even³

USD 17,720
(USD 16,950)



Revenue backlog added
-
(USD 132 million)

Revenue backlog^{1/2}

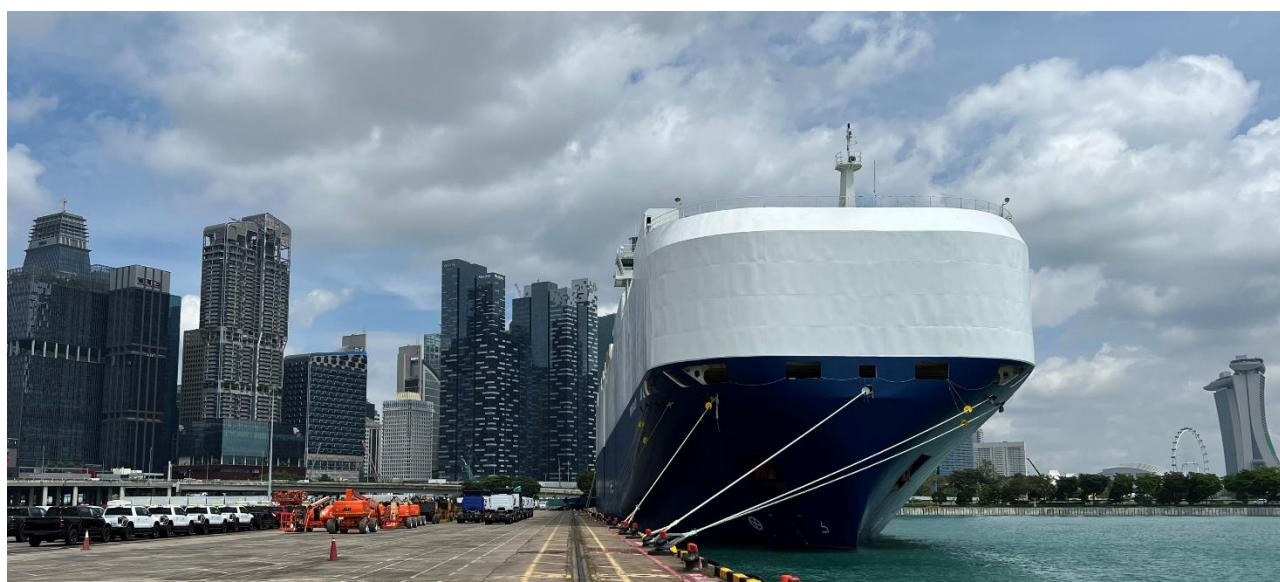
USD 851 million
(USD 908 million)

Open revenue days 2024/25/26²

-/6%/34%
(4%/11%/37%)

Average contract duration⁴

3.4 years
(3.5 years)



¹ On straight-line basis in accordance with IFRS.

² As per end of reporting period, assuming mid-point charter party redelivery date (adjusted for sale of Viking Amber).

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

⁴ Average contract duration in the revenue backlog as per reporting date (adjusted for sale of Viking Amber).

Review of operations

Q4'23 (Q3'23)	Distribution	Mid-size	Panamax	Fleet total
				
Average TC rate ¹	USD 21,620 (USD 20,990)	USD 29,840 (USD 29,970)	USD 50,570 (USD 49,410)	USD 32,300 (USD 31,370)
Utilisation	98% (99%)	100% (100%)	100% (93%)	99% (98%)
Planned/unplanned off-hire days	8/- days (-/6 days)	-/1 days (-/1 days)	-/- days (27/1 days)	8/1 days (27/8 days)

The Mid-Size and Panamax vessels delivered strong operational performance with 100% utilisation during the quarter. The utilisation for the Distribution vessels reflects the lead-time from redelivery from charterers to delivery to the new owner for the two sold vessels, the Viking Constanza and the Viking Princess.

The Hoegh Caribia commenced planned repairs at year-end. While in dry-dock, it will also undergo its special periodic survey before returning to operations in early February. The estimated net financial impact is approximately USD 1.5 million after insurance, reflecting off-hire and incident related costs.

On, 21 December, GCC notified charterers that its vessels are restricted from passing through the Red Sea for the time being as the Norwegian Maritime Authority raised the security level in the southern part of the Red Sea to the highest level. GCC monitors the situation closely and will review and update this policy when appropriate based on recommendations from relevant authorities.

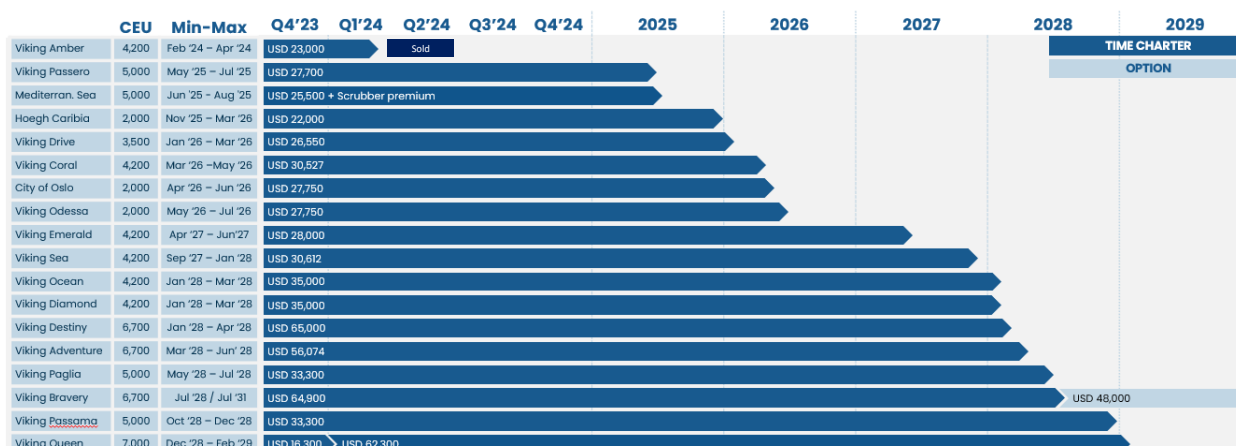
The average fleet TCE was USD 32,300 per day in the fourth quarter, an increase from USD 31,370 in the third quarter of 2023. The higher TCE was mainly a function of higher dayrates for the Panamax vessels with the Viking Bravery having its first full quarter on the new charter with higher earnings. The Viking Queen, which was fixed on a new charter at the end of September, is expected to impact positively on earnings from February 2024.

Contract overview

GCC's revenue backlog amounted to USD 851 million at 31 December 2023. The decrease from USD 908 million at the end of the third quarter of 2023 reflects the contract revenue in the period.

Since the listing in early 2022, the average contract duration for new recharterers has been 4.5 years. The average contract duration in the revenue backlog at 31 December 2023 was 3.4 years for the full fleet, and 3.2 and 4.5 years for the Mid-size and Panamax vessels, respectively.

¹ On straight-line basis in accordance with IFRS



Cash-flow break-even

The Company estimates an average cash flow breakeven rate of USD 17,720 per day per vessel going forward, up from USD 16,950 in the previous quarter. The increase reflects the impact of general inflation on operating expenses.

Corporate and financing

In July 2023, the Company agreed to sell two Distribution vessels. The realised book gain for each of the vessels is recognised in the relevant quarterly net income and 75% dividend distribution. On 30 October, the Viking Constanza (2,000 CEU, built 2010) was delivered to the new owner, as the first of the two vessels, with book gain of USD 13.1 million. The second vessel, the Viking Princess (1,000 CEU, built 1996), was delivered to the new owner on 8 January 2024. GCC has realised a book gain of USD 5.4 million from the divestment, which will be recognised in the first quarter of 2024.

In early December, the Company refinanced the leasing debt for the Viking Bravery with a new USD 35 million term loan priced at SOFR +1.65% and a duration aligned with the vessel's current timecharter contract. The previous lease debt was priced at SOFR +4.26%. The refinancing generated net cash proceeds of approximately USD 4 million.

Also, in December, GCC refinanced the Mediterranean Sea with a 15 million term loan and a 15 million revolving credit facility under the existing fleet senior secured credit facility at the current grid pricing at SOFR +2.40%. This compares to SOFR +3.25% before the refinancing. Available commitments under the senior secured credit facility increased from USD 302 million to USD 332 million. The refinancing generated net cash proceeds of around USD 4 million and an additional USD 19 million increase of the liquidity reserve.

During 2023, GCC transitioned from a fixed interest margin on the main credit facility to pricing based on a net interest-bearing debt (NIBD)/EBITDA grid. NIBD/EBITDA at 31 December 2023 was 1.7, resulting in a margin of SOFR + 2.40%. The margin will remain at this level until NIBD/EBITDA decreases below 1.5, when the margin will reduce further to SOFR + 2.25%. The Company continues to pursue attractive refinancing opportunities.

Subsequent events

The Distribution vessel Viking Princess was delivered to the new owner on 8 January 2024. GCC has realised a book gain of USD 5.4 million from the divestment, which will be recognised in first quarter 2024.

On 25 January 2024 GCC repurchased the Panamax vessel Viking Adventure by exercising a purchase option under the existing lease. The repurchase was funded by liquidity reserve and GCC is pursuing competitive financing, which will contribute to further boost its liquidity reserve and financial flexibility.

On 6 February, the Company announced the sale of the Mid-size vessel Viking Amber (4,200 CEU, built 2010) for a total cash consideration of USD 64.6 million. GCC expects to recognise a net book gain of USD 36.6 million upon completion of the sale in the second quarter of 2024. The transaction is in line with GCC's strategy of creating additional value in a strong car shipping market with historically high charter rates and asset values. The sale frees up capital to strengthen the balance sheet and support quarterly dividend distributions.

Market update

Macro and auto trends

The global development in car sales has historically been correlated with economic activity and global GDP growth. In the January 2024 economic outlook, the IMF forecasts a GDP growth of 3.1% in 2024, compared to 3.1% growth in 2023 and 3.5% growth in 2022.

For 2023, LMC Automotive estimates a 10.8% growth in global light vehicle sales to 89.8 million units, according to a report at the end of the fourth quarter. This compares to 81.1 million units sold in 2022, and an increase from LMC's previous 2023 forecast of 87.9 million at the end of the third quarter. LMC estimates 2024 sales of 92.3 million light vehicles, implying 2.7% year-over-year (YoY) growth. 2024 is set to be the first year since the pandemic to exceed the 2019 pre-covid sales numbers.

Chinese auto exports in 2023 totalled 5.0 million vehicles, with the quarterly run-rate exceeding 5.8 million units throughout the fourth quarter. This compares to total Korean exports of 3.5 million units and Japanese exports of 5.8 million units in the same period. In the fourth quarter, China for the first time overtook Japan as the largest exporter out of Asia. On a full-year basis, China remained the second largest exporter behind Japan. Electric vehicles' (EV) share of Chinese exports increased to 30% in 2023, up from 29% in 2022.

The combination of China's rapid ascension to become the largest global exporter of light vehicles over the past three years, strong growth in South Korean exports (23% YoY in 2023) and a Japanese auto industry in full recovery, has led to 49% growth in total Far East vehicle exports when measuring 2023 against the pre-covid level of 2019. Long-haul Far East exports have for some time been the main demand driver for the car carrier market. The growth in seaborne volumes out of Asia has come at a time with limited open car carrier capacity and before planned supply of new tonnage has been delivered to the market.

The electrification of the global vehicle fleet has been a major driver for the growth. EV sales are set to grow further over the coming decades. However, consumer uptake remains heavily incentivised and therefore dependent on Government policies around the world. Currently, China represents around 50% of the global EV sales and Chinese OEM's have built a highly competitive position based on a world-leading EV value chain and manufacturing capabilities. The OEMs have started to expand operations towards key European and North American consumer markets. The competitive edge is important as EV prices continue to decrease and the incumbent car manufacturers such as Toyota are steadily increasing their EV sales targets and fuelling future competition.

Car manufacturers continue to experience supply-chain challenges, however to a lesser degree than during the pandemic, and have produced for backlog orders in major markets throughout 2023. AutoForecast Solutions projects that around 2.7 million vehicles were removed from the planned production in 2023, primarily due to reduced output in Japan and South Korea. This is down from 10.5 million vehicles removed in 2021 and 4.4 million vehicles removed in 2022.

The combination of strong growth in seaborne vehicle volumes in 2023 and limited open PCTC capacity throughout the year with only eleven new vessels delivered, created a capacity deficit in the car shipping market. As a result, an increasing volume of cars, predominantly used cars, were transported on less efficient container, drybulk and multi-purpose vessels.

Fleet development

The high ordering activity in 2022 continued in 2023 due to the strong car shipping market. This follows almost ten years of a flat to slightly decreasing global PCTC fleet. Currently, 99 vessels are scheduled to be delivered from shipyards before end-2025. The total order book comprises 194 vessels with planned deliveries up until 2028. These will lead to a gradual increase in the PCTC fleet which is expected to be absorbed in the market over the coming years. In the current PCTC fleet, 147 vessels are older than 20 years and candidates for recycling.

The global car carrier fleet amounted to 766 vessels at 31 December, according to Clarksons. The global order book was 37% of the current capacity. This compares to a historical average of 17%. The delivery schedule of the current PCTC order book is still expected to be insufficient to meet the estimated demand growth, at least through 2025.

The global fleet controlled by PCTC tonnage providers amounted to 186 vessels at end of 2023, up six vessels since year-end 2022. Currently, 18 vessels controlled by tonnage providers are left open for contract renewal in 2024 and 34 vessels open in 2025, including newbuildings to be delivered. This compares to 42 vessels fixed in 2023 and 65 vessels fixed in 2022, including forward fixtures.

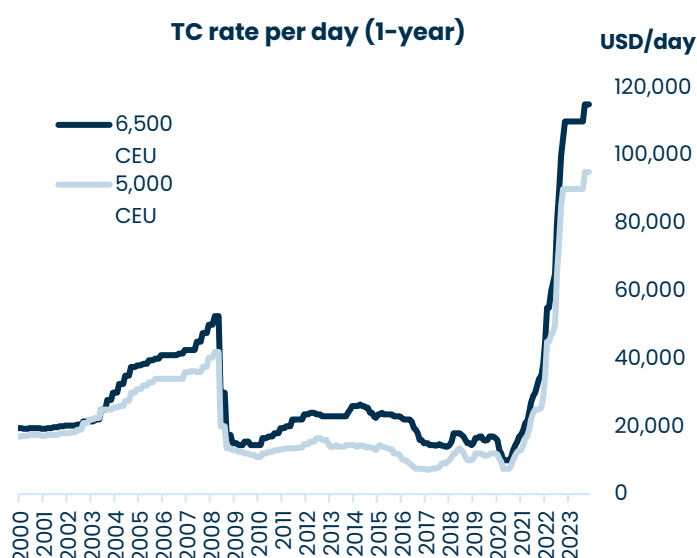
Time charter rates

TC rates remained stable at historically high levels for most of 2023 before increasing to new record levels in the fourth quarter due to continued strong demand and limited near term open vessel supply.

The 12-month TC contract rates for Panamax vessels were estimated at USD 115,000 per day at the end of December 2023, according to data from Clarksons.

The 12-month TCE rates for Mid-size vessel was stable through 2023 at USD 95,000 per day.

The Company estimates the current 12-month TCE for Distribution vessels remains at USD 30,000 per day.



Financial review

Key figures

In USD thousands	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2023	2022
Operating revenue	56,432	54,910	48,448	41,146	200,935	120,976
EBITDA	41,618	40,489	32,898	27,702	142,707	70,596
EBIT	46,373	32,345	25,139	20,060	123,918	43,126
Profit for the period	37,828	24,933	18,143	13,121	94,025	23,877
Cash flow from operating activities	48,154	45,377	37,987	25,378	156,895	79,617
In USD thousands	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2023	31 Dec 2022
Cash and cash equivalents	59,481	28,615	30,000	23,701	59,481	30,287
Interest-bearing debt	297,401	320,169	308,314	319,213	297,401	339,470
Equity ratio	46%	43%	43%	42%	46%	40%

Financial performance

Fourth quarter 2023 operating revenue of USD 56.4 million reflected improved average time charter rates for the Distribution and Panamax segments compared to the prior quarter.

Vessel operating expenses amounted to USD 12.1 million. Administrative expenses were USD 2.8 million and included non-cash expenses of USD 1.2 million relating to long-term employee incentive programs.

EBITDA was USD 41.7 million, an increase from USD 40.5 million in the third quarter of 2023. EBIT was USD 46.4 million and included a USD 13.1 million gain from the sale of the distribution vessel Viking Constanza. Net financial expenses of USD 8.5 million reflected mainly interest expense on vessel loans and leases, as well as USD 1.5 million in non-recurring costs in connection with the repurchase of the Viking Bravery in December 2023. Net profit for the quarter was USD 37.8 million, equal to earnings of USD 1.31 per share.

Financial position

On 31 December 2023, GCC had a cash position of USD 59.5 million and USD 41.6 million in available undrawn credit lines. Interest-bearing debt, including lease liabilities amounted to USD 297.4 million. Total assets and book equity were USD 630.5 million and USD 290.7 million respectively, equivalent to a book equity ratio of 46%.

Cash flow

Cash flow from operating activities was USD 48.2 million. The difference from EBITDA in the quarter was due to a net increase in working capital and deferred income. Cash flow generated from investing activities of USD 32.7 million reflected mainly the sale of the Viking Constanza. Cash flow from financing activities was negative with USD 50 million and reflects high refinancing activity, interest payments and scheduled instalments under the Group's debt facilities and leases and the quarterly dividend paid to shareholders in November. Net change in cash and cash equivalents was with USD 30.9 million for the quarter.

Dividend

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

The Board of Directors has approved a cash dividend of USD 0.979 per share for the fourth quarter of 2023, in line with policy. This represents the eight consecutive quarterly distribution from the Company to shareholders. The distribution shall constitute a repayment of the Company's paid in capital. In November, GCC paid a dividend of USD 0.645 per share for the third quarter of 2023.

For the full year 2023, the total dividend distribution will amount to USD 2.318 per share, compared to USD 0.408 per share distributed in total for 2022.

Outlook

GCC is well positioned in a historically strong market with long-term favourable supply demand dynamics. The Company has rechartered its vessels on contracts setting new industry standards in terms of dayrates and duration. This is reflected in a near record revenue backlog and expectations for long-term stable earnings and cashflow going forward, supported by improved vessel financing terms. Combined with an 75% dividend pay-out ratio, this provides the foundation for continued attractive direct shareholder returns.

Oslo, 7 February 2024

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

/sign/
Ivar Hansson Myklebust
Chair

/sign/
Hans Nikolaus Schües
Deputy Chair

/sign/
Alasdair James Dougall Locke

/sign/
Christine Rødsæther

/sign/
Nils Kristoffer Gram

/sign/
Gaby Bornheim

/sign/
Nicolaus Robert Bunnemann

/sign/
Georg Alexander Whist
Chief Executive Officer

Condensed interim financial statements

Consolidated statement of income (unaudited)

In USD thousands	Notes	Q4 2023	Q4 2022	2023	2022
Operating revenue	6	56,432	38,250	200,935	120,976
Vessel operating expenses		(12,053)	(11,961)	(47,960)	(41,385)
Administrative expenses		(2,760)	(3,337)	(10,268)	(8,995)
Operating profit before depreciation (EBITDA)		41,618	22,953	142,707	70,596
Gain from sale of vessel		13,057	-	13,057	-
Depreciation	7	(8,302)	(6,914)	(31,846)	(27,470)
Operating result (EBIT)		46,373	16,039	123,917	43,126
Financial income		796	693	1,856	1,113
Financial expenses		(9,325)	(6,805)	(31,732)	(20,362)
Profit before tax (EBT)		37,843	9,928	94,041	23,877
Income tax expense		(16)	-	(16)	-
Profit for the period		37,828	9,928	94,025	23,877
Attributable to:					
Equity holders of the parent company		37,828	9,928	94,025	23,877
Non-controlling interests		-	-	-	-
		37,828	9,928	94,025	23,877
Earnings per share (USD):					
Basic earnings per share		1.31	0.34	3.23	0.83
Diluted earnings per share		1.25	0.34	3.11	0.82

Consolidated statement of comprehensive income (unaudited)

In USD thousands	Notes	Q4 2023	Q4 2022	2023	2022
Profit for the period		37,828	9,928	94,025	23,877
Exchange differences on translation of foreign operations		(57)	(1)	94	(23)
Total comprehensive income		37,771	9,927	94,119	23,854
Attributable to:					
Equity holders of the parent company		37,771	9,927	94,119	23,854
Non-controlling interests		-	-	-	-

Consolidated statement of financial position (unaudited)

In USD thousands	Notes	31 Dec 2023	31 Dec 2022
Assets		630,534	609,741
Non-current assets		560,610	568,858
Vessels and other tangible assets	7	558,567	568,211
Right-of-use assets		1,534	141
Other non-current assets		509	506
Current assets		69,924	40,883
Inventories		2,176	2,088
Trade and other receivables		5,282	4,498
Cash and cash equivalents		59,481	30,287
Other current assets		2,984	4,010
Equity and liabilities		630,534	609,741
Equity	10	290,739	243,481
Non-current liabilities		253,267	297,045
Interest-bearing debt - non-current	8	252,010	297,045
Lease liabilities – non-current		1,257	–
Current liabilities		86,529	69,215
Interest-bearing debt – current	8	43,792	42,271
Lease liabilities – current		342	154
Trade and other payables		13,344	10,593
Deferred income		29,050	16,197

Consolidated statement of changes in equity (unaudited)

In USD thousands	Share capital	Share premium	Treasury share	Retained earnings / (acc. losses)	Other equity	Share-based payments reserve	Non-controlling interests	Total
Equity at 1 January 2023	9,822	173,051	-	(142,818)	202,522	902	-	243,481
Share-based payments	-	-	-	-	-	1,895	-	1,895
Treasury shares	(80)	-	(4,552)	-	-	-	-	(4,632)
Total comprehensive income for the period	-	-	-	94,025	94	-	-	94,119
Effect of liquidation Old Group	-	-	-	-	(478)	-	-	(478)
Dividend paid	-	(43,646)	-	-	-	-	-	(43,646)
Equity at 31 December 2023	9,742	129,405	(4,552)	(48,792)	202,139	2,797	-	290,739
Equity at 1 January 2022	230,791	-	-	(166,695)	964	-	14,178	79,239
Conversion of convertible loans Old Group shareholders	27,669	-	-	-	-	-	-	27,669
Conversion of redeemable preference shares	1,042	-	-	-	(1,042)	-	-	-
Capital increase - private placement (cash)	3,623	62,259	-	-	-	-	-	65,882
Capital increase - private placement (contribution in kind)	2,736	47,010	-	-	-	-	-	49,746
Capital increase - contribution in kind (Old Group equity holders and non-controlling interests)	(256,204)	61,190	-	-	209,192	-	(14,178)	-
Capital increase - vessel acquisition (contribution in kind)	166	9,634	-	-	-	-	-	9,800
Transaction costs	-	-	-	-	(7,060)	-	-	(7,060)
Estimated effect of liquidation Old Group	-	-	-	-	491	-	-	491
Share-based payments	-	-	-	-	-	902	-	902
Total comprehensive income for the period	-	-	-	23,877	(23)	-	-	23,854
Dividend paid	-	(7,042)	-	-	-	-	-	(7,042)
Equity at 31 December 2022	9,822	173,051	-	(142,818)	202,522	902	-	243,481

Consolidated statement of cash flows (unaudited)

In USD thousands	Note	Q4 2023	Q4 2022	2023	2022
Profit/ (loss) for the period		37,828	9,928	94,025	23,877
Financial (income)/ expenses		8,316	6,428	29,886	19,633
Depreciation	7	8,302	6,914	31,846	27,470
Gain on disposal of vessel		(13,057)	-	(13,057)	-
Share-based expenses		429	634	1,895	902
Income tax expense		16	-	16	-
Cash flow from operating activities before changes in working capital		41,834	23,904	144,611	71,882
Changes in working capital:					
Trade and other receivables		(2,525)	(1,294)	(774)	(2,659)
Inventories		(22)	(180)	35	(350)
Other current assets		520	(2,229)	659	(2,987)
Trade and other payables		3,425	4,454	(488)	663
Deferred income		4,923	10,922	12,852	13,068
Cash flow from operating activities		48,154	35,577	156,895	79,617
Income tax paid		-	-	-	-
Net cash flow from operating activities		48,154	35,577	156,895	79,617
Investment in vessels and other tangible fixed assets		(2,048)	(41,992)	(9,962)	(61,940)
Proceeds from disposal of vessel		34,712	-	34,712	-
Investment in right-of-use assets		-	-	-	(1,080)
Investment in affiliated company		-	(176)	(22,187)	(347)
Cash flow from/ (used in) investing activities		32,664	(42,168)	2,563	(63,368)
Dividend paid		(18,746)	(3,380)	(43,646)	(7,042)
Proceeds from issue of shares		-	-	-	58,822
Purchase of treasury shares		-	-	(4,632)	-
Proceeds from issue of debt		50,000	39,308	50,000	311,164
Proceeds from sale-lease-back financing		-	-	-	68,313
Repayment of debt		(58,964)	(9,246)	(92,411)	(353,116)
Proceeds/(repayment) of revolving credit facilities		(15,000)	(15,000)	(15,000)	(15,000)
Repayment of lease liability		(81)	(98)	(295)	(47,226)
Interest paid on interest-bearing debt		(7,052)	(7,759)	(24,443)	(18,760)
Interest paid on lease liabilities		(37)	(4)	(73)	(27)
Other financial items		(72)	(69)	236	949
Cash flow used in from financing activities		(49,952)	3,752	(130,264)	(1,923)
Net change in cash and cash equivalents		30,866	(2,839)	29,194	14,327
Cash and cash equivalents at beginning of period		28,615	33,126	30,287	15,960
Cash and cash equivalents at end of period		59,481	30,287	59,481	30,287

Notes to the condensed interim consolidated financial statements (unaudited)

Note 1 General information

Gram Car Carriers ASA (the 'Company') is a public limited liability company (Norwegian: allmennaksjeselskap) incorporated and domiciled in Norway, with registered address at Bryggegate 9, 0250 Oslo, Norway. The Company was incorporated on 3 August 2021. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group'). The principal activities of the Group is to invest in and to operate maritime assets in the pure car and truck carrier ('PCTC') shipping segment.

The shares of the Company are listed on Oslo Børs under the ticker 'GCC' and also traded on OTCQX Best Market under the ticker 'GCCRF'.

As per 31 December 2023 the Group operates 19 PCTC vessels, of which 18 are owned vessels and one is leased vessels.

Note 2 Basis for preparation

The condensed interim consolidated financial statements for the period 1 October 2023 – 31 December 2023 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union.

The financial statements have not been subject to audit and do not include all information and disclosures required in the annual financial statements.

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

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

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

Only standards and interpretations that are applicable to the Group have been included and the Group reviews the impact of these changes in its financial statements. The Group will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued. No new standards were effective 1 January 2023, with significant impact on the Group.

Note 3 Significant accounting policies

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

Note 4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the condensed interim consolidated financial statements for the Group and application of the accounting policies requires judgements, estimates and assumptions to be made about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual outcomes may differ from these estimates

and assumptions and could require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an on-going basis.

Judgements

Management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements apart from those involving estimations, which are disclosed below.

Assumptions and estimation uncertainties

The following assumptions and estimation uncertainties can have a significant risk of resulting in a material adjustment to the carrying amounts of assets:

Depreciation, useful lives and residual values of vessels

Depreciation is based on estimates of the vessels' useful lives, residual values, scrapping costs and depreciation method, which are reviewed at each balance sheet date. Useful lives may change due to technological developments, market conditions and changes in regulations. The Group is committed to recycling its vessels in compliance with the Hong Kong convention and Norwegian Shipowners Association guidelines. In the assessment of residual value there is a considerable degree of uncertainty in estimating prevailing market prices for green recycling. Any changes in estimated useful lives and/or residual values impact the depreciation of the vessels prospectively.

Note 5 Segment information

All the Group's vessels can be categorised in the pure car and truck carrier (PCTC) shipping segment and exhibit similar technical, trading, economic and financial characteristics.

The top four customers of the Group represent 25.1%, 10.7%, 10.4% and 10.4% of the Group's total time charter revenue during the three months' period ended 31 December 2023 (2022: 21.3%, 11.4%, 8.6% and 7.1%). No other customers represent more than 10% of total time charter revenue.

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

In USD thousands	Q4 2023	Q4 2022	2023	2022
Asia	30,155	26,834	117,638	81,656
Europe	21,043	6,017	59,978	26,874
Other	6,133	4,565	26,595	11,951
Total time charter revenue	57,331	37,416	204,211	120,481

Note 6 Operating revenue

In USD thousands	Q4 2023	Q3 2022	2023	2022
Time charter revenue	57,331	37,416	204,211	120,481
Time charter hire commissions	(936)	(772)	(3,383)	(2,271)
Management fees and time charter hire commissions	37	906	212	1,336
Other income	-	700	(105)	1,430
Total operating revenue	56,432	38,250	200,935	120,976

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

Note 7 Vessels and other tangible assets

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

In USD thousands	Vessels	Equipment	Total
Acquisition cost at 1 January 2023	857,279	39	857,318
Additions – Drydocking	2,735	–	2,735
Additions – Technical upgrade	7,035	–	7,035
Additions – vessel through acquisition	33,548	–	33,548
Additions	–	192	192
Disposal of vessel	(44,973)	–	(44,973)
Acquisition cost 31 December 2023	855,625	231	855,855
Acc. depreciation and impairment at 1 January 2023	(289,092)	(15)	(289,107)
Depreciation for the period	(31,483)	(16)	(31,499)
Disposal of vessel	23,318	–	23,318
Acc. depreciation and impairment at 31 December 2023	(297,257)	(31)	(297,288)
Carrying amount at 31 December 2023	558,367	200	558,567
Acquisition cost at 1 January 2022	685,214	27	685,241
Additions – Acquisition of vessels	171,343	–	171,343
Additions – Drydocking	6,972	–	6,972
Additions – Technical upgrade	4,560	–	4,560
Additions	–	12	12
Disposals of vessels	(10,812)	–	(10,812)
Acquisition cost 31 December 2022	857,279	39	857,318
Acc. Depreciation and impairment at 1 January 2022	(274,630)	(6)	(274,636)
Depreciation for the period	(25,273)	(9)	(25,282)
Disposals	10,812	–	10,812
Acc. depreciation and impairment at 31 December 2022	(289,092)	(15)	(289,107)
Carrying amount at 31 December 2022	568,187	24	568,211

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

In October, the Group sold the PCTC vessel Viking Constanza for USD 35,000,000, recognising a gain of USD 13,057,000.

Vessels include dry-docking and technical upgrades. The carrying amount for dry-docking was USD 11,788,000 at 31 December 2023 (31 December 2022: USD 13,177,000).

Vessels with carrying value of USD 558,367,000 at 31 December 2023 have been pledged to secure the various credit facilities (31 December 2022: USD 568,187,000), ref note 8.

At each reporting date, the Group evaluates whether there is an indication that an asset may be impaired. An assessment of the recoverable amount is made when an impairment indicator exists. At 31 December 2023 no such indicators have been identified.

Note 8 Interest-bearing debt

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

USD thousands	Currency	Facility amount	Margin	Maturity	Out-standing
USD 332 million senior secured credit facility	USD	332,000	SOFR +2.40%	Jan 2027	228,963
USD 15 million senior secured credit facility (Viking Drive/Viking Princess)	USD	15,000	SOFR +4.20%	Apr 2025	7,835
USD 15 million senior secured credit facility (Mediterranean Sea)	USD	15,000	SOFR +3.20%	Mar 2026	-
USD 35 million senior secured credit facility (Viking Bravery)	USD	35,000	SOFR +1.65%	Jul 2028	35,000
Lease (Viking Adventure)	USD	70,000	SOFR +4.26%	Jan 2030	29,610
					301,408
Amortised debt issuance costs					(5,606)
Total interest-bearing debt at 31 December 2023					295,802

In October, the Group sold the PCTC vessel Viking Constanza and made a partial repayment under the USD 302 million senior secured credit facility.

In December, the Group completed a refinancing of the PCTC vessel Viking Bravery, whereby the Group exercised a purchase option under the lease agreement and entered into a USD 35 million senior secured credit facility agreement to finance the vessel.

In December, the Group completed a refinancing of the PCTC vessel Mediterranean Sea, whereby the Group fully repaid the existing debt and entered into a new USD 30 million accordion option under the existing USD 302 million senior secured credit facility comprising of a 15 million term facility and USD 15 million revolving facility.

Following the partial repayment and accordion option referred to above the USD 332 million senior secured credit facility includes revolving credit facilities of USD 110.7 million. As at 31 December 2023 USD 41.6 million of the revolving credit facilities were undrawn (31 December 2022: USD 15 million).

As per 31 December 2023, the Group is in compliance with all financial covenants and value maintenance tests, including value adjusted equity of minimum 35% and at all times USD 50 million; minimum cash of no less than the greater of 5% of total interest-bearing debt outstanding and USD 10 million; and fair market value of at least 130% of interest-bearing debt outstanding (125% for Viking Adventure).

Details of the Group's contractual maturities of interest-bearing debt on a non-discounted basis as at 31 December 2023 are as follows:

USD thousands	Due within 12 months	1-3 years	4-5 years	>5 years	Total
Interest-bearing debt	43,792	217,440	28,191	11,985	301,408

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

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

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

USD thousands	Due within 12 months	1-3 years	4-5 years	>5 years	Total
Interest-bearing debt	42,271	83,990	187,768	31,615	345,643

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

USD thousands	2023	2022
Interest-bearing debt (current and non-current) at beginning of period	339,316	326,760
Repayment of debt	(105,736)	(368,116)
Issuance of new debt	50,000	387,000
Debt issuance costs	(1,675)	(7,523)
Loan through acquisition	11,318	-
Non-cash amortisation of debt issuance costs	2,578	1,196
Interest-bearing debt (current and non-current) at end of period	295,802	339,316

Note 9 Transactions with related parties

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

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

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

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

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

In USD thousands	Related party	Q4 2023	Q4 2022	2023	2022
Technical ship management fees	Reederei F. Laeisz GmbH	(239)	(105)	(641)	(343)
Charter hire commissions	Martini Dry Chartering GmbH	(108)	(72)	(429)	(187)
Commissions	Global Auto Carriers Group	-	171	-	341
Trademark license	P D Gram & Co AS	(50)	(51)	(200)	(206)

All related party transactions are carried out at market terms.

Note 10 Share capital

In USD thousands	No. of shares	Share capital
1 January 2023	29,285,022	9,822
31 December 2023	29,285,022	9,822
1 January 2022	10,000,000	125
Reverse split (26.497:1)	(9,622,605)	-
Share capital increase 17 January 2022	10,774,182	3,623
Share capital increase 17 January 2022	17,570,227	5,909
Share capital increase 28 November 2022	563,218	166
31 December 2022	29,285,022	9,822

At 31 December 2023 the share capital of the Company consists of 29,285,022 shares with par value per share of NOK 2.9147. All issued shares are of equal rights and are fully paid up.

At 31 December 2023 the Company held 300,000 treasury shares, all of which had been acquired during 2023.

Note 11 Subsequent events

On 8 January 2024, the sale of the Distribution vessel Viking Princess was completed, and the vessel was delivered to the new owner. GCC has realised a book gain of USD 5.4 million from the divestment, which will be recognised in first quarter of 2024.

On 25 January 2024 GCC repurchased the Panamax vessel Viking Adventure for USD 30.5 million by exercising a purchase option under the existing lease.

On 6 February, the Company announced the sale of the Mid-size vessel Viking Amber (4,200 CEU, built 2010) for a total cash consideration of USD 64.6 million. GCC expects to recognise a net book gain of USD 36.6 million upon completion of the sale in the second quarter of 2024.

Statement by the Board and Management

The Board of Directors and Management have reviewed and approved the condensed interim financial statements of Gram Car Carriers ASA for the period 1 October – 31 December 2023 and confirm that to the best of our knowledge:

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

Oslo, 7 February 2024

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

/sign/
Ivar Hansson Myklebust
Chair

/sign/
Hans Nikolaus Schües
Deputy Chair

/sign/
Alasdair James Dougall Locke

/sign/
Christine Rødsæther

/sign/
Nils Kristoffer Gram

/sign/
Gaby Bornheim

/sign/
Nicolaus Robert Bunnemann

/sign/
Georg Alexander Whist
Chief Executive Officer

Alternative performance measures and glossary

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

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

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

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

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

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

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

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

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

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

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

CEU: Car Equivalent Units

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

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

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

Forward looking statement

This report contains certain forward-looking statements that involve risks and uncertainties. In some cases, the Company uses words such as "ambition", "continue", "could", "estimate", "expect", "believe", "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements regarding plans and expectations with respect to Gram Car Carrier's development and returns, balance sheet and long-term underlying earnings growth; market outlook and future economic projections and assumptions; capital expenditure guidance; cost guidance; development and construction activities; accounting decisions and policy judgments; expected dividend payments; estimated provisions and liabilities; planned acquisitions and divestments; and the projected impact or timing of administrative or governmental rules, standards, decisions or laws, including with respect to and future impact of legal proceedings are forward-looking statements.

You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; price and availability of alternative fuels; currency exchange rate and interest rate fluctuations; the political and economic policies of operating countries; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions; economic sanctions, security breaches; changes or uncertainty in or non-compliance with laws and governmental regulations; an inability to exploit growth or investment opportunities; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure and other transportation problems; the actions of competitors; the actions of partners; the actions of governments; counterparty defaults; natural disasters and adverse weather conditions, climate change, and other changes to business conditions; an inability to attract and retain personnel; relevant governmental approvals; industrial actions by workers and other factors discussed elsewhere in this report. For additional information on risk factors see the most recent annual report and the prospectus dated 30 November 2022 available at www.gramcar.com.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot assure that its future results, level of activity, performance or achievements will meet these expectations. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any of these statements after the date of this report, whether to make them either conform to actual results or changes in our expectations or otherwise.

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