

Information Document



**GRAM CAR
CARRIERS**

Gram Car Carriers ASA

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

Admission to trading of ordinary shares on Euronext Growth

This information document (the "**Information Document**") has been prepared by Gram Car Carriers ASA ("**Gram Car Carriers**" or the "**Company**", and together with its subsidiaries, the "**Group**") solely for use in connection with the admission to trading of the Company's 28,721,804 ordinary shares, each with a par value of NOK 2.9147180010334 (the "**Shares**"), on Euronext Growth (the "**Admission**" or "**Admission to Trading**").

The Shares have been approved for Admission to Trading on Euronext Growth, and it is expected that the Shares will start trading on 31 January 2022 under the ticker code "GCC". Except where the context requires otherwise, references in this Information Document to "Shares" will be deemed to include the Company's existing Shares. The Shares are registered in the VPS in book-entry form with ISIN NO NO0011109563. All of the Shares rank *pari passu* with one another and each Share carries one vote.

Euronext Growth is a market operated by Euronext. Companies on Euronext Growth, a multilateral trading facility (MTF), are not subject to the same rules as companies on a Regulated Market (a main market). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth may therefore be higher than investing in a company on a Regulated Market. **Investors should take this into account when making investment decisions.**

The present Information Document does not constitute a prospectus within the meaning of 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, and repealing Directive 2003/71. The present Information Document has been drawn up under the responsibility of the Company. It has been reviewed by the Euronext Growth Advisors and has been subject to an appropriate review of its completeness, consistency and comprehensibility by Euronext.

THIS INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire document and, in particular, Section 2 "**Risk Factors**" and Section 3.2.6 "**Cautionary note regarding forward-looking statements**" when considering an investment in the Company and its Shares.

Euronext Growth Advisors

Fearnley Securities AS



Pareto Securities AS



28 January 2022

IMPORTANT NOTICE

This Information Document has been prepared by the Company solely to comply with the Euronext Rule Book I and the Euronext Rule Book II for Euronext Growth (together, the "**Euronext Growth Rule Book**"), to provide information about the Group and its business and in relation to the Admission to Trading. This Information Document has been prepared solely in the English language.

For definitions of terms used throughout this Information Document, see Section 10 "*Definitions and Glossary of Terms*".

The Company has engaged Fearnley Securities AS and Pareto Securities AS ("**Pareto**") to act as joint global coordinators and joint bookrunners in the Private Placement (as defined herein) and as the Company's advisors in connection with the Admission (together, the "**Joint Global Coordinators**" or the "**Euronext Growth Advisors**"), and Clarksons Platou Securities AS, Nordea Bank Abp, filial i Norge, Skandinaviska Enskilda Banken AB (publ), Oslo Branch and Swedbank AB (publ), filial i Norge, to act as joint bookrunners in the Private Placement (the "**Joint Bookrunners**", and together with the Joint Global Coordinators, the "**Managers**").

All inquiries relating to this Information Document should be directed to the Company or the Euronext Growth Advisors. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Euronext Growth Advisors in connection with the Admission, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Euronext Growth Advisors.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Information Document and before the Admission will be published and announced promptly in accordance with the Euronext Growth Rule Book. Neither the delivery of this Information Document nor the completion of the Admission at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult its own legal, business or tax advisors as to legal, business or tax advice. If a reader is in any doubt about the contents of this Information Document, he or she should consult its stockbroker, bank manager, lawyer, accountant or other professional advisor.

The distribution of this Information Document may in certain jurisdictions be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw.: *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

Investing in the Shares involves risks. See Section 2 "*Risk Factors*" of this Information Document.

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 (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). 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 "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

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 are 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.

Neither the members of the Company's board of directors (the "**Board Members**" or the "**Board of Directors**") nor the members of the Company's executive management (the "**Management**") are residents of the United States of America (the "**United States**"), and the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company, the members of the Board and the Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or the members of the Board or the Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the members of the Board or the Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

Similar restrictions may apply in other jurisdictions.

TABLE OF CONTENTS

1	STATEMENT OF RESPONSIBILITY	3
2	RISK FACTORS.....	4
2.1	Introduction	4
2.2	Risks associated with the Group and its operations	4
2.3	Regulatory risks and legal disputes	9
2.4	Risks associated with the Group's financial position	11
2.5	Risks related to the Shares and the Admission to Trading.....	12
3	GENERAL INFORMATION.....	16
3.1	Important information	16
3.2	Presentation of financial and other information	16
4	PRESENTATION OF THE COMPANY.....	21
4.1	Information about the Company.....	21
4.2	The Transfers.....	21
4.3	Subsidiary overview	23
4.4	Principal activities.....	23
4.5	Fleet list.....	24
4.6	History and important events	24
4.7	Vision and strategy.....	25
4.8	Principal markets.....	25
4.9	Regulatory environment.....	30
4.10	Norwegian tonnage tax regime	32
4.11	Material agreements, patents etc.....	32
4.12	Related party transactions	32
4.13	Legal and arbitral proceedings.....	32
5	ORGANIZATION, THE BOARD OF DIRECTORS AND MANAGEMENT.....	34
5.1	Introduction	34
5.2	The Board of Directors	34
5.3	The Management	36
5.4	Benefits upon termination	37
5.5	Employees and share-based incentive program	37
5.6	Corporate governance requirements	37
5.7	The Board of Directors' independence, conflicts of interests etc.....	37
6	UNAUDITED PRO FORMA AND OTHER SELECTED FINANCIAL INFORMATION.....	39
6.1	Introduction and basis for preparation	39
6.2	Summary of accounting policies and principles.....	39
6.3	The Pro Forma Financial Statements	39
6.4	The Former Group Financial Statements.....	44

6.5	Changes in the Group's financial or trading position	45
6.6	Material borrowings and financial commitments	45
6.7	Working capital statement.....	46
6.8	Near-term financial reporting and general meeting calendar.....	46
7	SHARES AND SHARE CAPITAL	47
7.1	The Shares.....	47
7.2	Share capital	47
7.3	The Private Placement.....	48
7.4	Dividend and dividend policy	50
7.5	The Articles of Association.....	51
7.6	Certain aspects of Norwegian corporate law	52
7.7	Takeover bids and forced transfer of shares	55
7.8	Insider trading	55
8	NORWEGIAN TAXATION.....	57
8.1	Norwegian shareholders	57
8.2	Foreign Shareholders.....	58
9	SELLING AND TRANSFER RESTRICTIONS	60
9.1	General.....	60
9.2	Selling restrictions	60
9.3	Transfer restrictions	61
10	ADDITIONAL INFORMATION	64
10.1	Admission to Trading on Euronext Growth	64
10.2	Auditor.....	64
10.3	Advisors.....	64
11	DEFINITIONS AND GLOSSARY OF TERMS	65

APPENDIX A	Articles of Association
APPENDIX B	Former Group Financial Statements for 2019
APPENDIX C	Former Group Financial Statements for 2020
APPENDIX D	Parent Financial Statements for 3 August 2021 – 30 September 2021
APPENDIX E	BDO AS' report on the Pro Forma Financial Statements for Q3 2021

1 STATEMENT OF RESPONSIBILITY

This Information Document has been prepared by Gram Car Carriers ASA, a public limited liability company with registration number 827 669 962 and registered address Bryggegate 9, 0250 Oslo, Norway, solely in connection with the Admission to Trading on Euronext Growth.

The Board of Directors accepts responsibility for the information contained in this Information Document. We declare that, to the best of our knowledge, the information provided in the Information Document is fair and accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document.

Oslo, 28 January 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

Christine Rødsæther
Board Member

Nils Kristoffer Gram
Board Member

Dr. Gaby Bornheim
Board Member

Clivia Breuel
Board Member

2 RISK FACTORS

2.1 Introduction

Investing in the Company involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this Section before making an investment decision in respect of the Shares.

The below risk factors are only a summary of all risks applicable to the Company and the Group. A prospective investor should carefully consider all the risks related to the Company and the Group, and should consult his or her own expert advisors as to the suitability of an investment in securities of the Company. An investment in securities of the Company entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Against this background, an investor should thus make a careful assessment of the Company and its prospects before deciding to invest.

Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

The information in this Section 2 is as of the date of this Information Document.

2.2 Risks associated with the Group and its operations

2.2.1 *The Group is a newly established corporate structure*

The Company is a newly formed entity with no operating history, however with continued management with extensive experience. Prior to the Admission to Trading, the Group underwent a restructuring process whereby the Group's business was transferred from the Singapore entity Gram Car Carriers Holdings Pte. Ltd. ("**GCC Singapore**"), to a newly established Norwegian corporate structure (with the Company as the ultimate parent company), and a transaction with F. Laeisz GmbH ("**F. Laeisz**") under which F. Laeisz transferred title and rights related to two car carrier vessels to the Group (as described in Section 4.2.2 below). Consequently, the Group is a newly formed entity with no operating history upon which prospective investors can evaluate the Group's likely future performance.

2.2.2 *The Group operates within the shipping industry which is a highly cyclical industry*

The Group operates a fleet of 22 pure car and truck carriers ("**PCTCs**"), of which 16 are owned by the Group (the "**Owned Vessels**"), four are controlled by the Group but financed under leases (the "**Leased Vessels**") and four are operated on behalf of third parties (the "**Managed Vessels**"). 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 world of the shipping industry and changes in the supply of and demand for vessel capacity.

The Group's performance and growth depends heavily on the demand for deep-sea transportation of cars, delivery of new vessels, recycling of old vessels, converted to other uses or lost, as well as government and industry regulation of maritime transportation. 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. An oversupply of vessels that can cause pressure on rates could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.3 *The Group is subject to covid-19 risks, particular in connection with a potential outbreak on one of its vessels*

After the outbreak of the Covid-19 pandemic, the global economy has been experiencing a period of uncertainty. New and increased uncertainty follows from the latest discovery of the Omicron variant. Should the Group experience a Covid-19 outbreak on its vessels, this would lead to downtime and hindering of the vessels activity, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects. Authorities worldwide have adopted strict measures to reduce and slow the pandemic spread. There are great uncertainties regarding the definite consequences of the Covid-19 outbreak and should the effects of the pandemic on global economic activity continue, it could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

Further, the Covid-19 outbreak may lead to further economic downturn which may negatively impact the Group's business and financial condition in ways that the Group cannot predict. Such economic downturn may also lead to a decline in customers' production or ability to pay for the Group's services, which could result in decreased demand for its vessels and services. Customers' inability to pay could also result in their default on the Group's current contracts. A decline in the amount of services requested by the customers or customers' default on the Group's contracts with them could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.4 *The Group is dependent on securing employment of its vessels on acceptable terms*

No assurance can be given as to whether future employment for the vessels can be secured on terms, rates and with charterers, which are acceptable. Failure to secure such future employment for the vessels could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.5 *The Group is subject to customer risks*

There can be no assurance that the Group will be able to renew its existing customer contracts and/or establish additional customer agreements, or that any such future agreements will be on terms equally favourable to the Group as is currently the case. If the Group fails to continue its current agreements or establish new agreements on similar terms, this could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.6 *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. There can be no guarantee that the parties tasked with operating a vessel or overseeing such operation perform their duties according to agreement or satisfaction. 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 and could in turn have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.7 *The Group is dependent on third party supply of technical management*

The Group has a cooperation with the OSM Group and F. Laeisz, both independent marine services providers, to which the Group outsources the supply of technical management to all of the Group's vessels. The Group is accordingly heavily reliant on technical management being supplied by a single third party manager, and their ability to provide technical management for the vessels. Any failure by the technical manager to perform its duties and obligations could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.8 *The Group is dependent on its commercial management and its ability to attract and retain key personnel*

The Group's success depends, to a significant extent, upon the abilities and efforts of a small number of key personnel, including the members of the current management team and any other key persons appointed by the Company who will be involved in the management of the Group and there can be no assurance that such individuals will continue to be employed by the Group and involved in the management in the future, or that their continued involvement will guarantee the future success of the Group. If the Group does not retain such key competence, and/or if it is unable to attract new talent or competencies relevant for the future development of the Group, this may have a negative effect on the success of the Group, and the Group's ability to expand its business and/or to maintain and develop its competitive skill set, which will correspondingly have an adverse effect on the Group's competitive position and financial performance. Difficulty in hiring and retaining replacement personnel could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

Furthermore, the Group has implemented restrictive covenants (including, but not limited to, non-compete obligations) in some of the employment agreements with members of the Management, but not all. There are no guarantees that such provisions will effectively hinder management from terminating their employment with the Group and engage in business in competition with the Group, which would in turn expose the Group to increased competition within its markets. In addition, the CEO has a right pursuant to his employment agreement to end his employment with the Group in case of a sale giving a third party more than 50% ownership in the Company. The Company has obtained a waiver from the CEO stating that he will not make use of his right to end the employment in connection with the Admission.

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

Should the Group's counterparties fail to meet their contractual obligations, this would negatively impact the Group. The Group routinely executes a large volume of transactions many of which expose the Group to the risk of contractual default by a counterparty. Due to the Covid-19 pandemic, this risk has furthermore increased. The Group's customer base consists of diverse customers with no single material source of credit risk. However, a downturn in financial markets and economic activity may result in a higher volume of late payments and outstanding receivables. Even though the Group routinely seeks to recover all outstanding receivables, the amounts of write-offs may increase and could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.10 *The Group may experience loss of which the Group is not adequately insured*

Risks may arise 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. Any particular claim 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. 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. If the Group fails to comply with applicable regulations, it may be subject to increased liability, which may adversely affect its insurance. 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, results of operations, cash flows and/or prospects.

2.2.11 *The shipping industry in which the Group operates is highly competitive*

The Group's vessel fleet consists of PCTCs, and 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, roll-on roll-off vessels, large car and truck carriers ("**LCTCs**") and pure car carriers ("**PCCs**").

The competition in the markets where the Group operates may lead to reduced profitability and/or expansion opportunities and the Group's market share and competitive position in these markets may erode in the future. Any new markets that are entered into could include participants that have greater experience or financial strength than the Group, and it may thus not be successful in entering such new markets.

If any of these risks were to materialise, it could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.12 The Group is exposed to cargo risks, hereunder related to trade restricted cargo

The Group may be exposed to liability for damage or loss of cargo transported on board the Group's vessels, including due to the breakout of a fire or due to 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 and residual risks remain that i.e. the Group's contracting parties breach applicable restrictions or sanctions and/or that queries or allegations of such violations occur. If any such risks were to materialise, it could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.13 The pattern of production and sales of cars and rolling equipment may change

The geographical pattern of production and sales of cars and rolling equipment may change going forward, because of, inter alia, restructuring in the industries, growing protectionism and currency concerns. A potential shift in the balance between locally produced and exported cargo may affect the overall demand for ocean transportation and could result in lower and less efficient utilization of the Group's fleet, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.14 Fluctuation of vessel values may result in an impairment of the book value of the Group's vessels or a loss upon a sale of a vessel

The value of vessels may fluctuate substantially over time. Such fluctuations may result in an impairment of the book value of the Group's vessels and investments in vessel-owning companies or a loss upon a sale of the vessels. The fair market value of the Group's vessels and investment in vessel-owning companies or other ships possibly acquired in the future may increase or decrease depending on a number of factors. Any significant fluctuations could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.15 The technical condition of the vessels may not be as assumed by the Company

The vessels named "Passama" and "Passero", to be renamed "Viking Passama" and "Viking Passero", respectively, as transferred to the Group in connection with the Laeisz Transfers (see Section 4.2.2 below), were inspected by the Group on 4 and 6 December 2021 respectively and were delivered to the Group on 25 January 2022. The inspections were carried out without divers inspection or drydocking. The inspections without divers inspection or drydocking and the period of time between a vessel's inspection and the physical delivery of a vessel involves the risk that such vessels may not be in the technical condition assumed by the Company at the time of inspection as the condition may have been subsequently impaired.

The Owned Vessels, other than Passama and Passero, have not been independently inspected by the Group prior to completion of the Laeisz Transfers. Although the Group does not expect the vessels to be unsatisfactory conditions, the condition of the vessels may not be as assumed by the Company at the time of completion of the Laeisz Transfers.

An impairment in the condition of a vessel and/or a vessel not maintaining its class could lead to repairs and related expenditure and/or the vessel being unable to trade between ports and render it unemployable, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.16 Compliance with safety and other vessel requirements imposed by classification societies may be costly and could reduce the Group's net cash flows and net income

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 5 years. Compliance with the above requirements may result in significant expense. A vessel not maintaining its class or fails any annual, intermediate or special survey, the vessel will be unable to trade between ports and will be unemployable, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.17 The Group is subject to risks related to arrest of vessels

The Group will assume responsibility for all functions related to the Owned Vessels as registered owner of the Vessels (as described above). Suppliers of goods and services to a vessel, charterers and other parties may be entitled to a maritime lien against one or more of the Group's vessels for unsatisfied debt, claims or damages. The Group operates worldwide. In many jurisdictions in which the Group operates, a maritime lien holder could arrest one or more of the Group's vessels (and the procedures for vessel arrests varies significantly depending on jurisdiction). The arrest of one or more of the Group's vessels would deprive the charterers from use of such the vessel, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects. The Group's ability to swiftly solve an arrest will vary according to jurisdiction, as well as being dependent on the cooperation and actions of the Group's counterparties.

2.2.18 The vessels of the Group may be suspected of being involved in smuggling operations

The Group transports used cars from calling ports at inter alia high-risk countries in Africa and central/south America. Thus, there is a risk that the vessels may be suspected of drug smuggling or other smuggling operations. In the event of such suspected smuggling operations there is a risk that the Group's vessels may be detained, which would result in immediate charter revenue loss and incur management cost to resolve the matter and could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.19 The Group may experience piracy, armed robbery, hijackings and kidnapping

Acts of piracy and armed robbery have historically occurred in areas where the Group has operated and there is a risk that acts of piracy, armed robbery, hijackings and kidnapping will continue to occur in these areas. Any piracy attack, armed robbery or similar could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.20 *The Group is becoming increasingly digitalized and is subject to risk of cyber attacks*

The Group is becoming increasingly digitalized, more devices and control systems are connected online resulting in a wider technology surface across the Information Technology and Operational Technology infrastructure, which could be compromised. Should a successful cyberattack materialise, operational disruption and/ or data breaches may occur, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.3 **Regulatory risks and legal disputes**

2.3.1 *The Group is exposed to sanctions and trade restrictions, including export controls*

The Group operates in areas where, inter alia, the United Nations, the EU and/or its member states, the United States, the United Kingdom and/or Norway have imposed sanctions, and is thus exposed to applicable sanctions, trade regimes and restrictions. Although the Group has adopted a risk based sanctions and trade compliance framework to ensure compliance with relevant sanctions and trade control regulations, residual risks remain that i.e. the ultimate customer or end user of transported cargo is subject to restrictive measures. As a result, the Group is exposed to enforcement risk and sanctions pursuant to the applicable restrictive measures and regimes. In addition to potential criminal liability in a number of jurisdictions, any sanctions violation could result in the breach of loan facility agreements which in turn could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.3.2 *The Group's activities are subject to environmental regulations*

The activities of the Group are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Changes in regulations concerning emission of greenhouse gases is one such risk factor for the Company. Compliance with such regulations may require significant expenditures, and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Changes in environmental laws may result in a material increase in the cost of operating the Group's units or could otherwise have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.3.3 *The Group is active in a number of regions and is therefore exposed to political, governmental and economic instability*

The Group is active in a number of regions, which expose the Group to political, governmental and economic instability, which could in turn harm operations. Changes in the legislative, political, governmental and economic framework in the regions in which the Group carries on business could have a material impact on the business. In particular, changing laws and policies affecting trade, investment and changes in tax regulations could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.3.4 *The Group is subject to numerous laws and regulations in various jurisdictions*

The Group is subject to numerous laws and regulations in the various jurisdictions in which the Group conducts its business and/or its entities are incorporated. Such laws and regulations govern, among other matters, land utilization, development and zoning plans, property tax, HSE (health, safety and environmental) matters, power markets, grid operation, air pollution emissions, wastewater discharges, solid and hazardous waste management, and the use, composition, handling, distribution and transportation of hazardous materials. Many of these laws and regulations are becoming increasingly stringent (and may contain strict liability provisions), and the cost of compliance can be expected to increase over time. If the Group's operations fails to comply with any laws and regulations, permits/licenses or conditions, or to obtain any necessary permits/licenses, then the Group's operations may be subject to, among other things, losses, costs, civil and criminal penalties and, in certain circumstances, the

temporary or permanent curtailment or shutdown of a part of its operations, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.3.5 *The Group's tax liabilities could increase due to operations in different countries with changing tax laws and regimes*

Tax laws and regulations are highly complex and subject to interpretation. Consequently, the Group is subject to changing tax laws, treaties and regulations in and between countries in which it operates or will operate in the future. The Group's income tax expense is based upon its interpretation of the tax laws in effect at the time that the expense was incurred. A change in these tax laws, treaties or regulations, or in the interpretation thereof, which is beyond the Group's control could result in a materially higher tax expense or a higher effective tax rate on the Group's earnings. The increasingly protectionist measures from governments around the world entails a risk for the Group as both tax rules and reporting requirements are constantly being developed and expanded. The Group's tax payments may be subject to review or investigation by tax authorities of the jurisdictions in which the Group operates from time to time. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies or corporate structure; or if the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, its effective tax rate on its earnings could increase substantially and this could in turn have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.3.6 *The Group may be involved in disputes and legal, administrative and governmental proceedings*

The Group operates in various legal and regulatory environments world-wide, and may be involved in disputes and legal, administrative and governmental proceedings in Norway as well as other jurisdictions, in the ordinary course of its business activities. Such disputes may disrupt business operations and have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.3.7 *The Group operates in countries known to experience governmental corruption*

The Group operates in countries known to experience governmental corruption. While the Group is committed to conducting business in a legal and ethical manner, there is a risk that the employees and/or agents of the Group may take actions that violate either the U.S. Foreign Corrupt Practices Act or legislation promulgated pursuant to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business or other applicable anti-corruption regulations. These actions could result in monetary penalties against the Group and could damage the Group's reputation and, therefore, its ability to do business. The Group may not possess all relevant information relating to its counterparties. If it turns out that some of the Group's counterparties are engaged in corrupt or fraudulent activity, this could potentially adversely affect the business and reputation of the Group.

In addition to the risks that arise in countries that have experienced governmental corruption, there is also a risk that the Group will not be able to ensure that its internal control policies, compliance guidelines (e.g., the Group's code of conduct) and procedures will protect the Group from fraud, money-laundering or other criminal acts committed by the employees and/or agents of the Group and/or the operating entities or those of its affiliates.

Changes in the political status of certain countries may also impact the Group's operations. For example, certain countries in which the Group and/or its affiliates currently operates or may operate in the future may become restricted or sanctioned countries. As a result, the Group could incur fines or other penalties for performing services or be required to cease operations in such jurisdictions.

Should any of the above mentioned risks materialise, this could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.4 Risks associated with the Group's financial position

2.4.1 *The Group has international operations and is exposed to foreign exchange risk*

The Group has international operations and is exposed to foreign exchange risk arising from various currency transactions and exposures. US Dollar (USD) is the functional currency of the Group. The Group is exposed to foreign currency risk related to revenues and expenditures in other currencies than USD. As a result of the above, fluctuations in currency exchange rates could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.4.2 *The Group is subject to risks connected with interest rate fluctuations*

The Group's long-term debt will be based on floating interest rates. Interest rate fluctuations will influence the level of interest expense payable on the floating rate debt. An increase in interest rates could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.4.3 *The Group may require additional capital in the future, which may not be available*

The Group may need to raise additional funds through debt or additional equity financings or other sources of financing. Adequate sources of capital funding may not be available when needed or may not be available on favourable terms or at all. The Group's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. If the Group raises additional funds by issuing additional shares or other equity or equity-linked securities, it may result in a dilution of the holdings of 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 results of operations, cash flow and financial condition.

2.4.4 *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. These demand performance of certain Group companies and their affiliates and set restrictions on freedom to operate and manage the Group's business. These agreements may limit the Group's ability to, among other things: incur additional indebtedness, make certain disposals, conduct corporate reorganizations, 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.

In addition, and as described above, the terms of certain of the Group's financing agreements include cross default provisions and/or change of control clauses. The Group does not have control over whether these provisions or clauses are triggered. As a consequence, default under one financing agreement could lead to defaults and/or changes of control in other agreements.

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

2.4.5 *Future debt levels could limit the Group's flexibility to obtain additional financing and pursue other business opportunities*

Although the Group does not currently plan to incur any significant debt, except for the USD 222 million Credit Facility (as defined in Section 6.6 below), there can be no assurance that the Group will not incur significant additional indebtedness in the future. This level of debt could have important consequences to the Group, including the following:

- i) the Group's ability to obtain additional financing for working capital, capital expenditures or other purposes may be impaired or such financing may be unavailable on favourable terms;
- ii) the Group's costs of borrowing could increase as it becomes more leveraged;
- iii) the Group may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and any future dividends to its shareholders;
- iv) the Group's debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in its business or the economy generally; and
- v) the Group's debt level may limit its flexibility in responding to changing business and economic conditions.

The Group's ability to service its future debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take action such as reducing or delaying its business activities, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to effect any of these remedies on satisfactory terms, or at all.

2.4.6 *Changes in taxation law or interpretation of taxation law may affect the Group*

Changes in taxation law or the interpretation of taxation law may affect the business, results of operations and financial condition of the Group. To the extent tax rules change, this could have both a prospective and retrospective impact on the Group both of which could be material. If any tax authority successfully challenges the Group operational structure, taxable pretence or similar circumstances, the Group effective tax rate could increase substantially and have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.5 **Risks related to the Shares and the Admission to Trading**

2.5.1 *F. Laeisz, AL Maritime Holding Pte. Ltd., HM Gram and Glenrinnnes Farms Limited each have significant voting power, the ability to influence matters requiring board and shareholder approval and may block transactions that could be in the interest of the Company*

As of the date of this Information Document, F. Laeisz own Shares equivalent to 28.32%, AL Maritime Holding Pte. Ltd. ("**AL Maritime Holding**") owns Shares equivalent to approximately 6.97%, HM Gram Enterprises Limited and HM Gram Investments III Limited (together "**HM Gram**") own Shares equivalent to approximately 6.22%, Glenrinnnes Farms Limited ("**Glenrinnnes**") owns Shares equivalent to approximately 6.75%, and J. Lauritzen A/S owns Shares equivalent to approximately 5.69%, respectively, of the Company's total share capital. F. Laeisz, HM Gram and Glenrinnnes are represented on the Board of Directors.

Hence, F. Laeisz, AL Maritime Holding, HM Gram, Glenrinnnes and J. Lauritzen A/S each have significant influence on matters subject to approval by the Board and/or the Company's shareholders, including continued significant influence over the Management and the Group's business. In addition to board elections, these matters include inter alia mergers or sales of assets and issuance of additional Shares or other equity related securities, which may dilute the economic and voting rights of the existing shareholders. The interests of F. Laeisz, AL Maritime Holding, HM Gram, Glenrinnnes and J. Lauritzen A/S may not be aligned with and may differ significantly from or may compete with the Company's interests or those of the other shareholders. It is possible that F. Laeisz, AL Maritime Holding, HM Gram, Glenrinnnes and J. Lauritzen A/S could exercise their influence over the Company in a manner that does not promote the interests of the other shareholders. For example, there could be a conflict between the interests of F. Laeisz, AL Maritime Holding, HM Gram, Glenrinnnes and J. Lauritzen A/S and the interests of the Company or its other shareholders with respect to dividends or other fundamental corporate matters. The concentration of ownership could also delay, postpone or prevent a change of control in the Company, and impact mergers, consolidations, acquisitions and other forms of combinations, as well as distributions of profit, which may or may not be desired by other shareholders. Such conflicts could have a material adverse effect on the Company's business and prospects.

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

On 17 January 2022, the extraordinary general meeting of the Company granted the Board an authorization to increase the Company's share capital by up to NOK 16,743,218, for the purpose of larger investments and acquisitions as part of the Company's strategy, to strengthen the Company's capital as well as for the purpose of fulfilling the Company's obligations under its leasing agreements and transfer agreements concerning the Group's vessels, valid up until the annual general meeting in 2022 and in no event later than 30 June 2022. The Company may also in the future decide to offer and issue new Shares or other securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses, partial settlement of outstanding earn-out consideration from past acquisitions or for any other purposes as well as under the Company's future share-based incentive program expected to be implemented during the first half of 2022. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

2.5.3 The price of the Shares may fluctuate significantly

The trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares. Further, major sales of shares by major shareholders could also negatively affect the market price of the Shares.

2.5.4 There may not be an active and liquid market for the Shares

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favourably. Prior to the Admission, there has been no public market for the Shares, as the Shares have not been listed or admitted to trading on any stock exchange, regulated market or multilateral trading facility. Following the Admission, an active or liquid trading market for the Shares may not develop or be sustained. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their Shares quickly, at the market price or at all if there is no active trading in the Shares.

2.5.5 Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the 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 example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

2.5.6 Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may be unable to vote for such Shares unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (the "VPS") prior to any general meeting of shareholders. There can be no assurance that beneficial owners of the Shares will receive the notice of any general meeting of shareholders 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.

2.5.7 Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate in the issuance of any new Shares for cash consideration. Shareholders in the United States as well as in other countries may be unable to participate in an offer of new shares unless the Company decides to comply with local requirements in such jurisdictions, and in case of the United States, unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. In such cases, shareholders resident in such non-Norwegian jurisdictions may experience a dilution of their holding of the Shares, possibly without such dilution being offset by any compensation received in exchange for subscription rights. In addition, the general meeting may resolve to waive the pre-emptive right of all existing shareholders. Furthermore, the shareholders may resolve to grant the board of directors an authorization to increase the share capital of the Company and set aside any pre-emptive rights for the shareholders, without the prior approval of the shareholders. Such authorization may also result in dilution of the shareholders' holding of Shares.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

2.5.8 Shareholders outside of Norway are subject to exchange rate risk

All of the Shares will be priced in NOK, the lawful currency of Norway and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

2.5.9 The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

None of the Shares have been registered under the U.S. Securities Act or any US state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and other applicable securities laws. In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. Further, investors in the United States may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers in Norway.

2.5.10 The Company will incur increased costs as a result of being a traded company

As a company with shares admitted to trading on Euronext Growth, the Company will be required to comply with applicable reporting and disclosure requirements. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a traded company will include, among other things, costs associated with annual and interim reports to shareholders, disclosure obligations, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. Any such increased costs, individually or in the aggregate, could have a material adverse effect on the Group's business, operating income and overall financial condition.

2.5.11 The Company is subject to the Euronext Growth Rule Book which deviates from the regulations for securities trading on Oslo Børs and Euronext Expand, and which implies a risk of a lower degree of transparency and minority protection

The Company is subject to the parts of the Norwegian Securities Trading Act and related regulations that apply to Euronext Growth listed companies, as well as the Euronext Growth Rule Book. The obligations under such laws and regulations differ from the obligations imposed on companies whose securities are listed on Oslo Børs or Euronext Expand. For instance, the Company is not subject to any takeover regulations meaning that an acquirer may purchase a stake in the Shares exceeding the applicable thresholds for a mandatory offer for a company listed on Oslo Børs or Euronext Expand, without triggering a mandatory offer for the remaining Shares. In accordance with the Euronext Growth Rule Book Part I, Section 4.3, the Company shall make public within five (5) trading days of becoming aware, any situation where a person, acting alone or in concert, reaches, exceeds or falls below a major holding threshold of 50% or 90% of the capital or voting rights. Furthermore, there is no requirement to disclose large shareholdings in the Company (Nw.: *flaggeplikt*). These deviations from the regulations applicable to securities trading on Oslo Børs or Euronext Expand, alone or together, impose a risk to transparency and the protection of minority shareholders. An investment in the Shares is suitable only for investors who understand the risks associated with an investment in a company with shares admitted to trading on Euronext Growth.

3 GENERAL INFORMATION

3.1 Important information

The Company has furnished the information in this Information Document. The responsibility for the accuracy or completeness of the information set forth herein rests with the Company.

In order to seek to verify that the information in the Information Document is true and correct the following measures have been taken:

In order to seek to verify that the information in the Information Document is true and correct in connection with the Company's application for Admission, the Euronext Growth Advisors have engaged advisers to conduct limited due diligence investigations related to certain legal and financial matters pertaining to the Company, including for the purposes of identifying relevant risk factors relating to such matters.

Besides having engaged advisors to conduct such measures as mentioned in the above, the Euronext Growth Advisors cannot guarantee that the information in the Information Document is correct or complete in all respects and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of the accuracy or completeness of the information in this Information Document or any such statement.

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 4.

3.2 Presentation of financial and other information

3.2.1 Financial information

3.2.1.1 Introduction

The Company was incorporated on 3 August 2021 as the parent company of a new Norwegian corporate structure that was set up for the purpose of the Transfers (see Section 4.2 below for further details) and the Admission. The Transfers were completed on 25 January 2022. Prior to completion of the Transfers, all vessels and related business activities pertaining to the Gram Transfers were operated by the Former Group, and the vessels pertaining to the Laeisz Transfers were operated by F. Laeisz.

All of the underlying transaction steps forming part of the Gram Transfers have for accounting purposes been considered as a restructuring and refinancing of the Former Group, together with an issue of new Shares and purchase of the Laeisz vessels. This implies that the carrying values of assets and liabilities in the Former Group (with GCC Singapore as the parent company) as set out in the Former Group Financial Statements (as defined below), will be recognized in the Group (with the Company as the new parent company) going forward, with the same carrying values as in the Former Group, in line with predecessor accounting (i.e. to continuity) and with no fair value adjustments. Furthermore, as the Transfers are considered as a capital reorganization from an accounting perspective, the Former Group's historical consolidated financial statements represent the Group's historical financial information going forward. Please refer to Section 3.2.1.2 below regarding factors affecting the comparability of the Former Group Financial Statements (as defined below) and the Group's future financial statements.

Based on the above, the financial information in this Information Document has been derived from the following:

- i) Audited, consolidated, financial statements for 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 ("**Singapore FRS**"), audited by Deloitte & Touche LLP (the "**Former**

Group Financial Statements"). The Former Group Financial Statements, including the notices of the auditor, are enclosed hereto as Appendices B - C.

- ii) Unaudited, consolidated condensed pro forma financial information (the "**Pro Forma Financial Statements**"), compiled on and derived from the Former Group's financial statements as of and for the nine months period ended 30 September 2021, to show how the Pro Forma Events (see Section 6.3.4 below) would have affected the Group's income statement and statement of financial position as of and for the nine months' period ended 30 September 2021, if the Pro Forma Events had occurred on 1 January 2021. The Pro Forma Financial Statements are included in Section 6.3 below, and BDO AS' report on the Pro Forma Financial Statements is enclosed hereto as Appendix E. The Pro Forma Financial Statements do not purport to represent what the Company's actual statement of profit or loss or statement of financial position could have been had the events which were the subject of the adjustments occurred on the relevant date. The Pro Forma Financial Statements do not include all of the information required for financial statements prepared in accordance with Singapore FRS or International Financial Reporting Standards ("**IFRS**") and should be read in conjunction with the Former Group Financial Statements.

Furthermore, for the purpose of the Admission, the Company has prepared "stand-alone" interim financial statements for the period from its incorporation on 3 August 2021 to 30 September 2021 in accordance with Norwegian generally accepted accounting principles ("**NGAAP**") (the "**Parent Financial Statements**"). The Parent Financial Statements have been audited by BDO AS and are enclosed hereto as Appendix D.

For further details, please refer to Section 6 "*Unaudited pro forma and other selected financial information*".

3.2.1.2 Factors affecting the comparability of the financial information

The following is noted in respect of the comparability of the Former Group Financial Statements and the Group's financial statements going forward:

- i) In August 2021, the Former Group disposed of a PCTC vessel. The operating revenues, operating expenses, interest expense and carrying amount relating to this vessel as reflected in the Former Group Financial Statements, represent business that is non-continuing in the Group. In this respect, the Group's financial information will not be directly comparable to the Former Group Financial Statements.
- ii) In January 2022, the Group completed the Gram Transfers (see Section 4.2), as reflected in the Pro Forma Financial Statements (see Section 6.3 below).
- iii) In January 2022, the Group completed the Laeisz Transfers (see Section 4.2), as reflected in the Pro Forma Financial Statements (see Section 6.3 below).
- iv) In connection with the Transfers, the Group raised the NOK equivalent of USD 121 million in new equity (see Section 7.3) and replaced the Former Group's two credit facilities with the USD 222 million Credit Facility and the New Leasing Debt (see Section 6.6). The resulting capital structure and reduced indebtedness as compared to the Former Group means that the Group's financial information is not directly comparable to the Former Group Financial Statements.
- v) The Former Group Financial Statements are prepared in accordance with the provisions of Singapore FRS. Going forwards, the Company will prepare its annual financial statements in accordance with IFRS and its interim financial statements in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**"). There are no material differences between Singapore FRS and IFRS that will affect the Group's financial statements going forward.

3.2.1.3 Qualifications by the auditor to the Former Group Financial Statements and the Parent Financial Information

In the independent auditor's statement to the Former Group Financial Statements for 2020, Deloitte & Touche LLP has noted as follows:

"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 follows:

"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."

The audit report to the Parent Financial Statements includes no qualifications or disclaimers.

3.2.2 Functional currency and foreign currency

In this Information Document, 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.

The Company has USD as functional currency, and the Former Group Financial Statements, the Pro Forma Financial Statements and the Parent Financial Statements are presented in USD.

3.2.3 Rounding

Certain figures included in this Information Document 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.

3.2.4 Alternative performance measures

In order to enhance recipients' of this Information Document understanding of the Group's performance, the Group presents certain measures and ratios in this Information Document that might be considered as alternative performance measures ("**APM**") 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 specified in FRS. The Group uses APMs to measure operating performance and is of the view that the APMs provide recipients relevant and specific operating figures which may enhance their understanding of the Group's performance.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and recipients should not consider such measures to be alternatives to: (a) revenue or profit/loss for the period, 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 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 it operates and are widely used by recipients in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon measures,

business practice or external and 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. Since companies may present APMs differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The term EBITDA, used by the Group in the definition of APMs in this Information Document, makes reference to profit/(loss) for the period before net financial items, income tax expense, depreciation and amortization.

3.2.5 *Third-party information*

Throughout this Information Document, the Company has used industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified such data. Similarly, whilst the Company believes that its internal surveys are reliable, they have not been verified by independent sources and the Company cannot assure of their accuracy. Thus, the Company does not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. The information in this Information Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company confirms that no statement or report attributed to a person as an expert is included in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which the Group operates.

3.2.6 *Cautionary note regarding forward-looking statements*

This Information Document 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 are not historic facts. 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 Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

4 PRESENTATION OF THE COMPANY

This Section provides an overview of the Group's business as of the date of this Information Document. The following discussion contains forward-looking statements that reflect the Group's plans, see Section 3.2.6 "Cautionary note regarding forward-looking statements" above, and should be read in conjunction with other parts of this Information Document, in particular Section 2 "Risk factors".

4.1 Information about the Company

The legal name of the Company 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*) incorporated on 3 August 2021, organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (as amended) (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 address is Bryggegate 9, 0250 Oslo, Norway. The Company's main telephone number is +47 22 01 74 50 and its website is <https://gramcar.com/>. The content of the Company's website is not incorporated by reference into, nor otherwise forms part of, this Information Document.

4.2 The Transfers

4.2.1 The Gram Transfers

The Company was incorporated in August 2021 as the parent company of a new Norwegian corporate structure that was set up for the purpose of the Transfers and the Admission. The purpose of the corporate restructuring was to mirror the former corporate structure in Singapore with GCC Singapore as parent company and its subsidiaries, including GCC (CUE) Shipowning Pte. Ltd. (Singapore), Global Bravery Pte. Ltd. (Singapore), Global Adventure Pte. Ltd. (Singapore), Gram Car Carriers IV Ltd. (Bermuda) (together, the "**Former Group**"). In connection with the establishment of the new corporate structure, the following main steps were completed (together, the "**Gram Transfers**"):

- i) A Singapore entity, Gram Car Carriers Services Pte. Ltd. ("**GCC Services**") was established as a 100% owned subsidiary of the Company's subsidiary, Gram Car Carriers Management AS ("**GCC Management**"), and the former employees of GCC Singapore were transferred to GCC Services;
- ii) title and/or rights related to the Owned Vessels, the Leased Vessels and the Managed Vessels and related agreements and assets were transferred from the Former Group to the Group;
- iii) the Group secured the USD 222 million Credit Facility as part of a refinancing of the Former Group's former (and the Group's new) business, as further detailed in Section 6.6 below;
- iv) the Group secured the New Leasing Debt of USD 70 million as further detailed in Section 6.6 below; and
- v) USD 46 million in debt related to the Former Group's leasing agreements (the "**Existing Leasing Debt**") was transferred to the Group (see Section 6.6 below).

The transactions pertaining to the Gram Transfers were completed on 25 January 2022. GCC Singapore, the parent company of the Former Group, is expected to be liquidated as soon as practically possible after the Admission.

4.2.2 The Laeisz Transfers

On 25 January 2022, the Company completed a transaction whereby the ownership of the vessels Passama and Passero was transferred from ms Passama GmbH & Company KG and ms Passero GmbH & Company KG respectively, both vessel owning subsidiaries controlled by F. Laeisz, to the Group company Gram Car Carriers Shipowning AS ("**GCC Shipowning Norway**"), for a price of USD 30,814,000 and USD 30,814,000, respectively (the "**Laeisz Transfers**", and together with the Gram Transfers, the "**Transfers**"). The consideration for the Laeisz Transfers was settled by contribution in kind consisting of an issue of a seller's credit, which was converted by F.

Laeisz to a total of 8,135,358 Shares on 25 January 2022, based on a resolution by the extraordinary general meeting on 17 January 2022. After completion of the Private Placement, and subject to full exercise of the Greenshoe Option (see Section 7.3.1 below), F. Laeisz will hold 7,252,255 Shares, equivalent to approximately 25.25% of the Company's share capital. If the Greenshoe Option is not exercised, F. Laeisz will continue to hold 8,135,358 Shares, equivalent to approximately 28.32% of the Company's share capital.

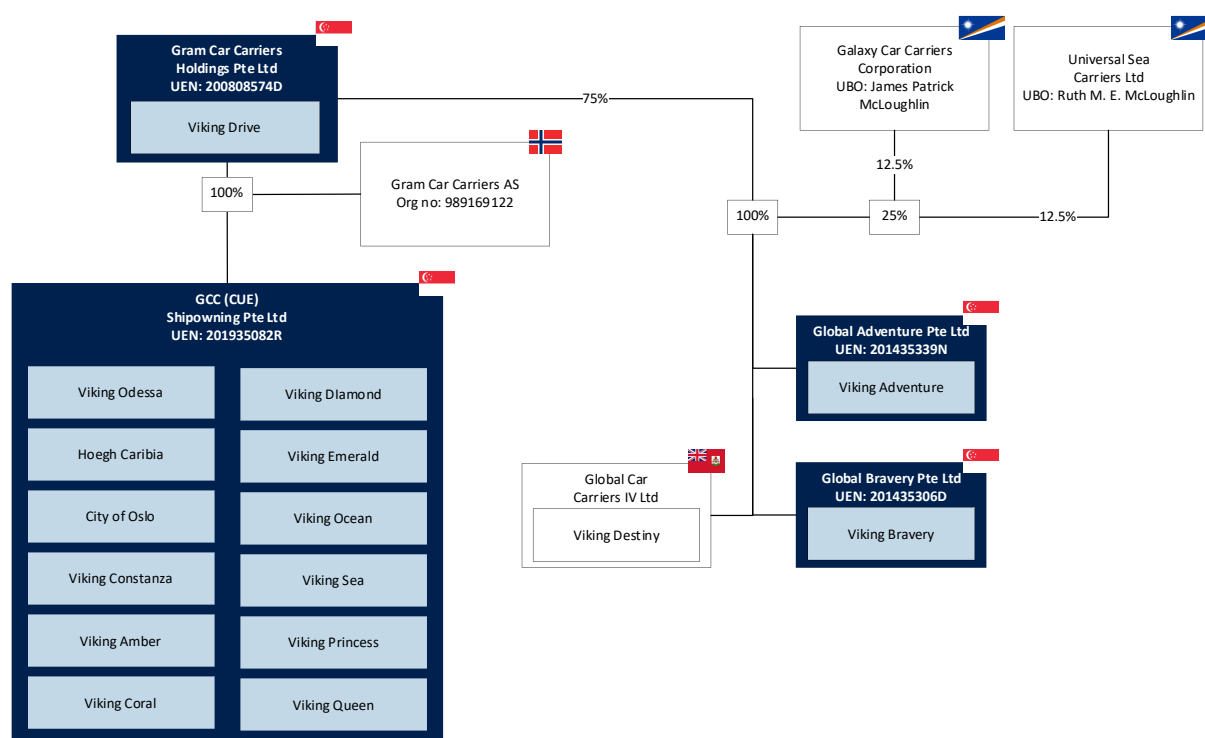
As a condition for completion of the Laeisz Transfers, the Company's Articles were amended to provide for a right for a shareholder owning more than 20% of the Shares in the Company to appoint one of the three members to the Company's nomination committee. Further, such clause and the adopted instructions 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.

Upon the transfers of ownership to the Group, the Passama and Passero, to be renamed "Viking Passama" and "Viking Passero", were reflagged from the German ship register and the Madeira ship register respectively, to the Marshall Islands ship register.

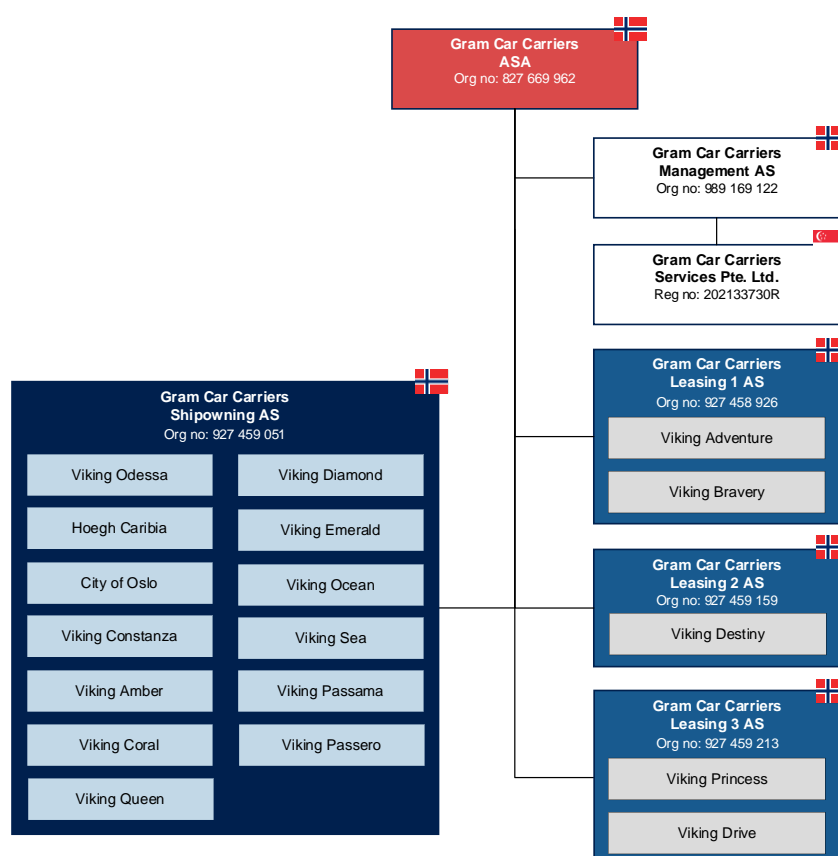
4.2.3 Group structure

Structure charts of the Former Group and the Group, upon completion of the Transfers, are set out below:

The Former Group:



The Group:



4.3 Subsidiary overview

The Company functions as 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 100% owned subsidiaries:

Company name	Organization number	Place of incorporation	Date of incorporation	Function
Gram Car Carriers Management AS	989 169 122	Norway	13 December 2005	Management services
Gram Car Carriers Shipowning AS	927 459 051	Norway	2 July 2021	Vessel owning SPV
Gram Car Carriers Leasing 1 AS	927 458 926	Norway	2 July 2021	Vessel leasing SPV
Gram Car Carriers Leasing 2 AS	927 459 159	Norway	2 July 2021	Vessel leasing SPV
Gram Car Carriers Leasing 3 AS	927 459 213	Norway	2 July 2021	Vessel owning/ vessel leasing SPV
Gram Car Carriers Services Pte. Ltd.	202133730R	Singapore	28 September 2021	Administrative services

4.4 Principal activities

The Company is a specialized shipping company, focusing on PCTCs. Gram Car Carriers is a so-called tonnage provider and focuses on providing a modern, reliable and efficient fleet with various vessel sizes to suit all aspects of the seaborne car transportation trade. The Company is the third largest car carrier tonnage provider in the world.¹ 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 and long history of chartering vessels to all major global operators and key regional operators worldwide. In addition to the sixteen Owned and four Leased

¹ Source: Clarkson Research Database

Vessels, the Group provides commercial management services for the four Managed Vessels, owned by third parties, giving a total of 24 vessels currently under commercial operation in the Group's fleet.

The Company is committed to a sustainable operation. With a long-term sustainability goal of reducing total GHG emissions by at least 50% in 2050, the Company is invested in finding further environmentally friendly solutions to reduce harmful emissions from its vessels.

4.5 Fleet list

The Group's fleet currently consists of the vessels set out below.

The Owned Vessels:

#	Vessel	Built	IMO no.	Car equivalent unit
1.	City of Oslo	2010	9407677	2,000
2.	Hoegh Caribia	2010	9407665	2,000
3.	Passama	2012	9491874	5,000
4.	Passero	2012	9491886	5,000
5.	Viking Amber	2010	9481049	4,200
6.	Viking Coral	2011	9481051	4,200
7.	Viking Constanza	2010	9407689	2,000
8.	Viking Diamond	2011	9481075	4,200
9.	Viking Emerald	2012	9514987	4,200
10.	Viking Ocean	2012	9514999	4,200
11.	Viking Odessa	2009	9398876	2,000
12.	Viking Princess	1996	9136967	1,000
13.	Viking Queen	2007	9318462	7,000
14.	Viking Sea	2012	9515008	4,200
15.	Passama (to be renamed "Viking Passama")	2012	9491874	5,000
16.	Passero (to be renamed "Viking Passero")	2012	9491886	5,000

The Leased Vessels:

#	Vessel	Built	IMO no.	Car equivalent unit
17.	Viking Adventure	2015	9673018	6,700
18.	Viking Bravery	2015	9673020	6,700
19.	Viking Destiny	2017	9728863	6,700
20.	Viking Drive	2000	9188817	3,500

In addition, the Group is the commercial manager on the following vessels owned by third parties (the Managed Vessels):

#	Vessel	Built	IMO no.	Car equivalent unit
1.	Arabian Sea	2010	9483786	5,000
2.	Mediterranean Sea	2010	9451006	5,000
3.	SFL Composer	2005	9293583	6,500
4.	SFL Conductor	2006	9293909	6,500

4.6 History and important events

The table below shows the Group's key milestones from its incorporation and to the date of this Information Document:

Date	Main events
3 August 2021	Incorporation of the Company
8 September 2021	Acquisition of Gram Car Carriers Shipowning AS and Gram Car Carriers Leasing 1 AS

Date	Main events
15 September 2021	Acquisition of Gram Car Carriers Leasing 2 AS and Gram Car Carriers Leasing 3 AS
20 October 2021	Acquisition of Gram Car Carriers Management AS through a share capital increase against contribution in kind (see Section 7.2.1 below), as preparations for the Gram Transfers
14 January 2022	Completion of the Private Placement, see Section 7.3 below
25 January 2022	Completion of the Transfers, see Section 4.2 above
31 January 2022	First day of Admission to Trading

4.7 Vision and strategy

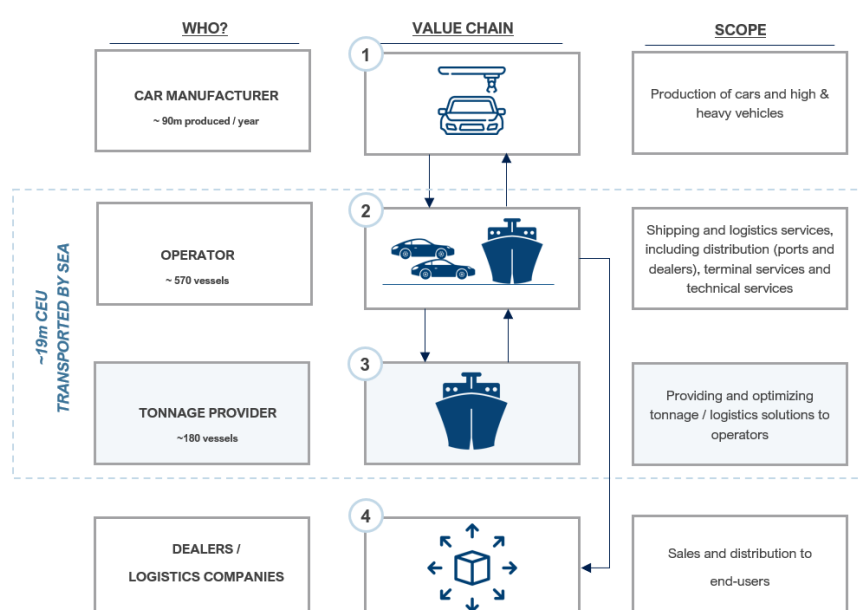
The Group is the third-largest tonnage provider in the world² and is supporting global and regional operators of seaborne vehicle transportation with its fleet, consisting of the Owned Vessels and the Leased Vessels. The Group is beginning to roll off its current short to medium term charter contracts and the Company's strategy and vision going forward is to recontract its fleet for longer term contracts. 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. The Company's Board of Directors and Management consist of highly experienced industry professionals, which will further contribute to the Company achieving its strategy and vision.

4.8 Principal markets

4.8.1 Introduction to the car carrier market

The car carrier market's value chain largely consists of car manufacturers (e.g., Tesla), ship operators (e.g., Wallenius Wilhelmsen), tonnage providers (e.g., Gram Car Carriers) and logistics companies. The ship operators provide shipping and logistics services including distribution, terminal services and technical services to the manufacturers and logistics companies. The tonnage providers charter out vessels to the ship operators optimizing their logistics solutions. Gram Car Carriers is ranked as the third largest tonnage provider in terms of fleet size.

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



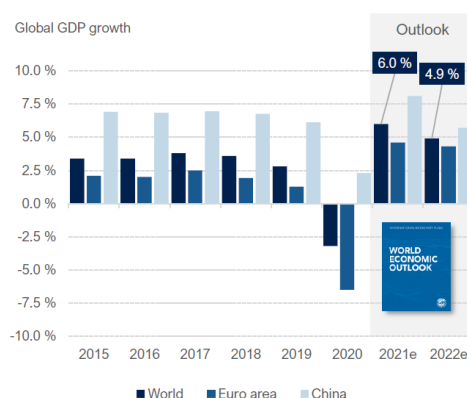
² Source: Clarkson Research Database

Source: Company, Fearnresearch, SIN Clarksons

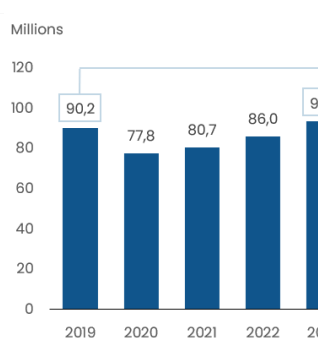
4.8.2 Current state and outlook of the car carrier market

The IMF is forecasting an increase in economic activity with global GDP growth estimated at 6.0% and 4.9% in 2021 and 2022, respectively. This is expected to have a material impact on car sales volumes, which are estimated to reach pre-pandemic (2019) levels in 2023 with 93.7 million vehicles sold (LMC Automotive). Further growth in car sales is expected at a 5.0% growth per annum from 2022 to 2028. 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 currently at record low levels indicating growing pent-up demand as inventories need to be replenished.

Global economic growth:

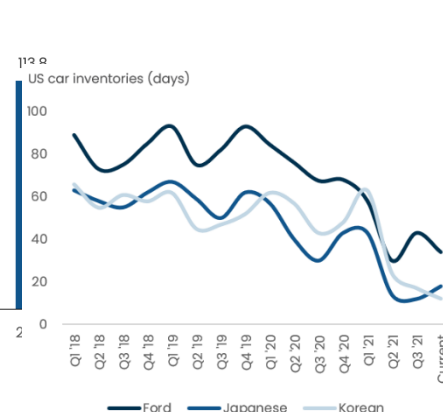


Car sales estimates:



Source: IMF, LMC Automotive

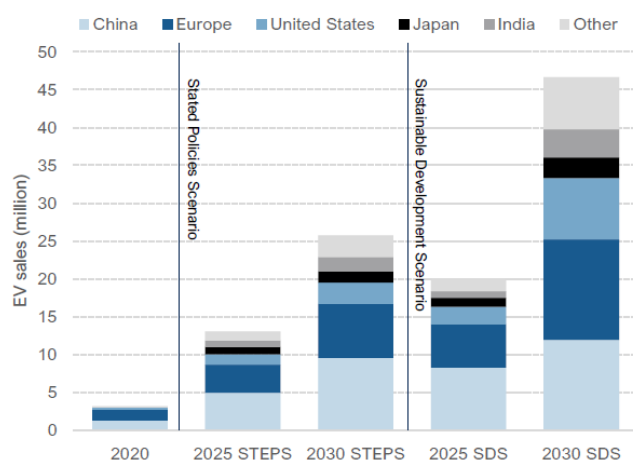
US car inventories:



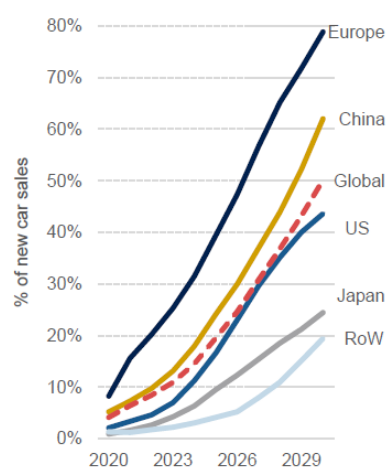
4.8.3 Electric vehicle development and the role of China

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 (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.

Electrical vehicle sales estimates:



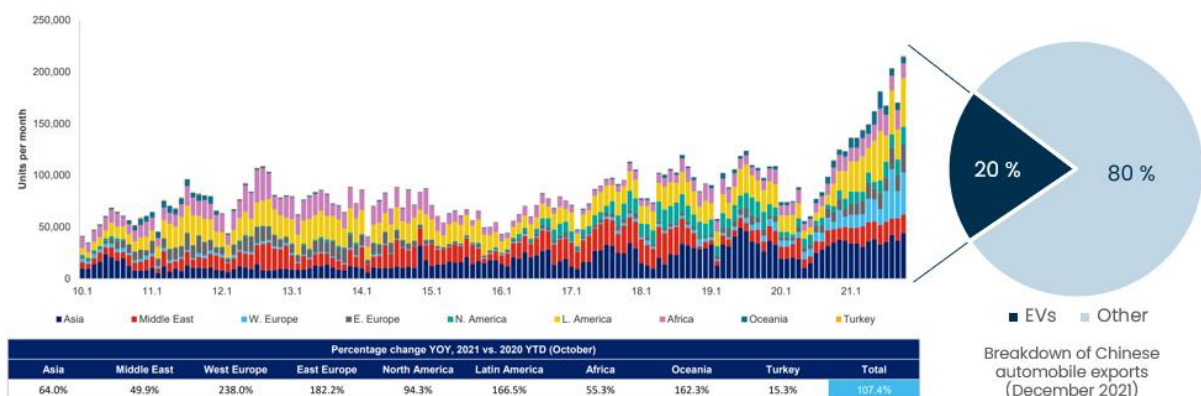
EV share of new car sales:



Source: Company, Fearnresearch, UBS, SIN Clarksons, IEA

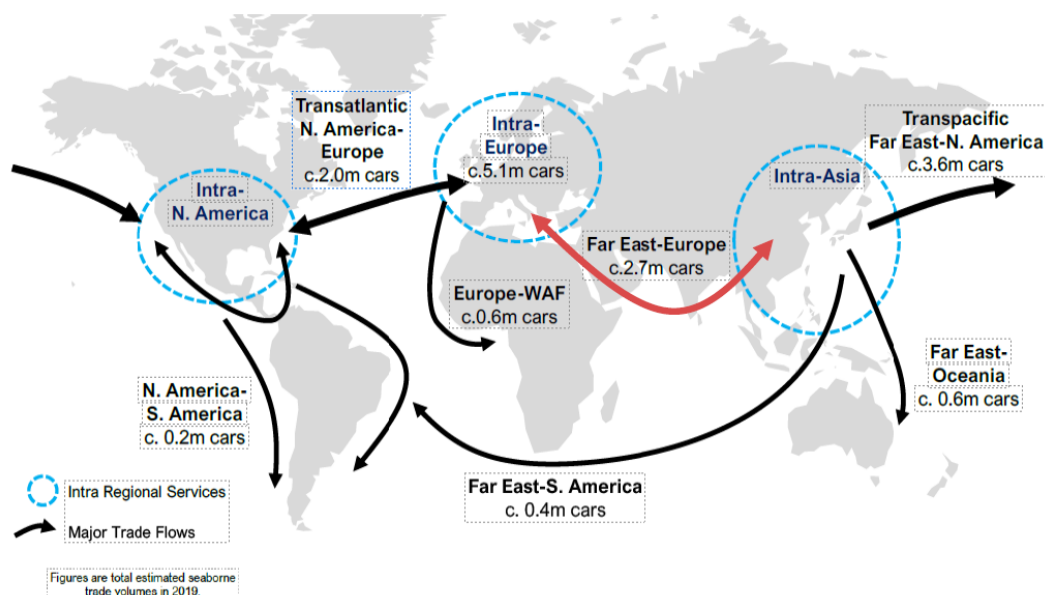
China is set to be a key player in the electrical vehicle market going forward with electrical vehicles having an estimated market share of about 60% of new cars sold in 2030. At the same time China is currently exporting about 180,000 vehicles per month contributing positively to demand for seaborne vehicle transportation. 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 strong electrical vehicle demand in Europe and in the US, and a substantial share of the production in China is expected to increase exports from China and ton-mile demand accordingly.

Chinese car exports growing:



Source: SIN Clarksons, UBS, IEA

Chinese exports contributing to increasing ton miles:



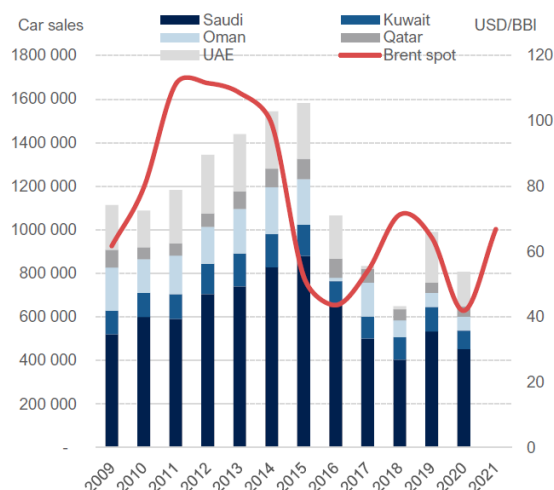
Source: McKinsey, SIN Clarksons

4.8.4 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).

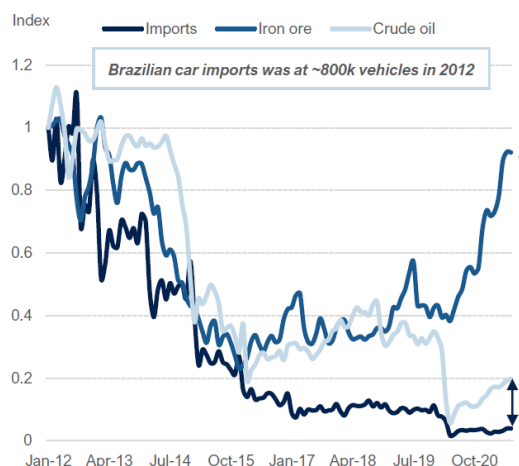
prices). As such, the resurgence of commodity prices is implying a stronger demand outlook from these regions and is supporting increased demand for the seaborne transportation of cars.

Oil price vs. ME imports:



Source: Company, Fearnresearch

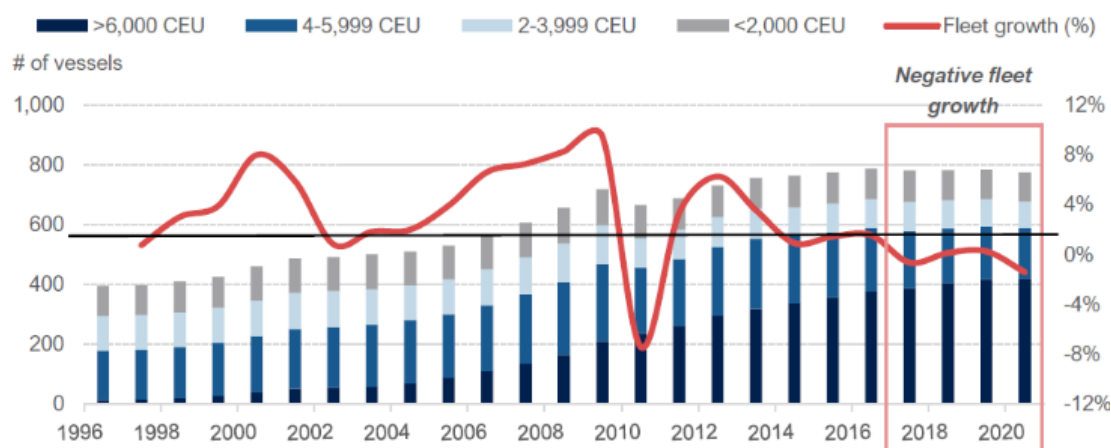
Commodity prices vs. Brazilian imports:



4.8.5 Supply

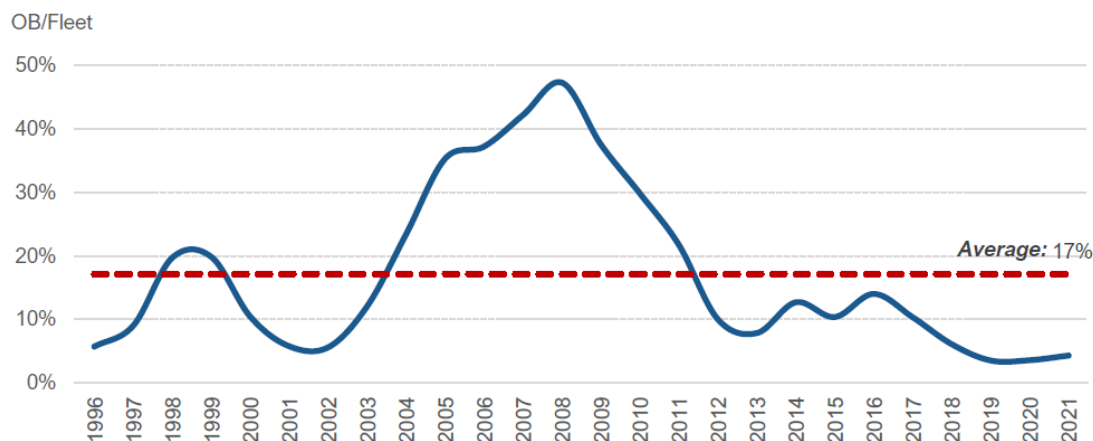
Over the last years the car carrier fleet has seen negative growth with a natural out-phasing of tonnage nearing its end of life, positively improving the supply balance. The current orderbook stands at 4% of the fleet which is close to record low levels and significantly below the historical average of 17%. At the same time the shipyard industry has experienced a significant increase in their orderbooks, leading to yards being fully booked until 2025 and effectively capping 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 account for less than nine vessels delivered per year from 2021 to 2025. Combined with an ageing fleet (18% being older than 20 years of age), the supply balance is looking favorable with high visibility for the next few years.

Historical fleet development:



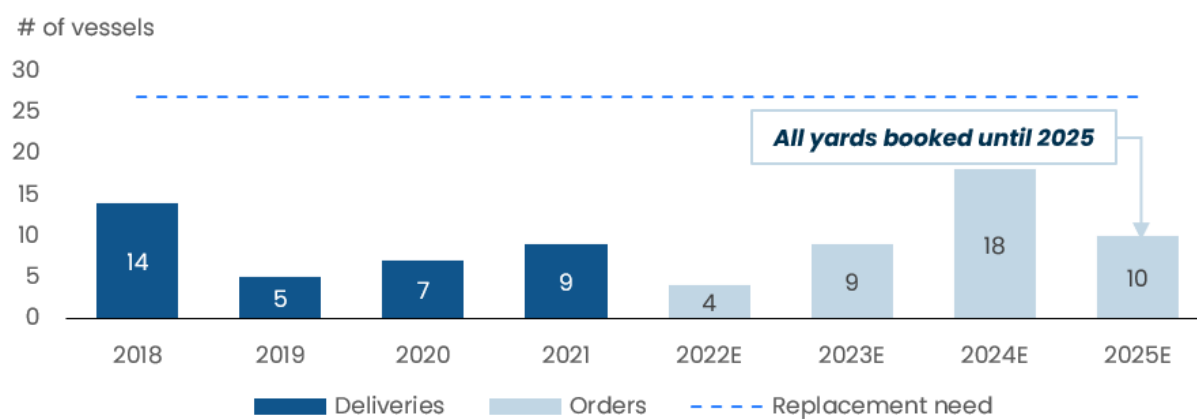
Source: SIN Clarksons

Orderbook as percentage of fleet:



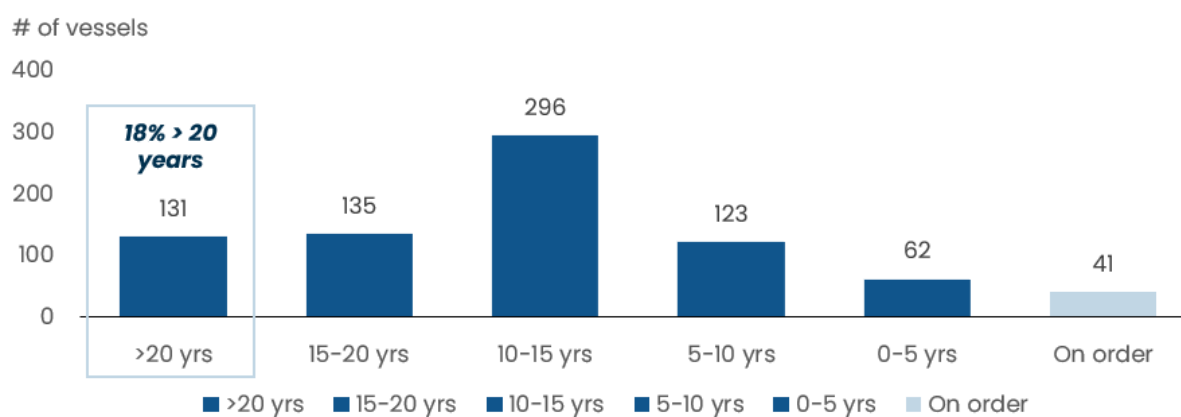
Source: SIN Clarksons

Orderbook and delivery schedule vs. replacement need:



Source: Company, Fearnresearch, SIN Clarksons

Fleet profile:

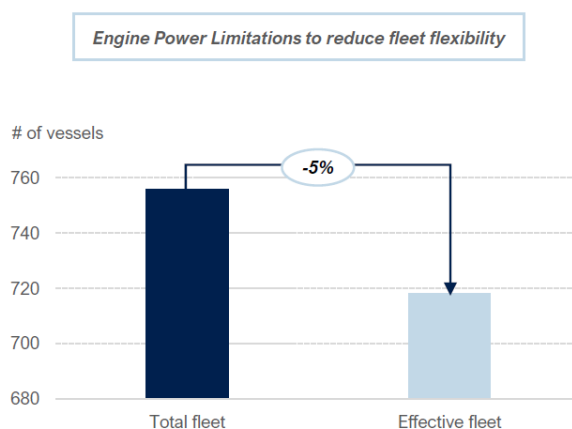


Source: Company, Fearnresearch, SIN Clarksons

Upcoming IMO regulations, such as CII and EEXI effective from 2023, are set to further strap the supply side of the car carrier fleet. DNV estimates that the effective car carrier fleet will be reduced by about 5% due to a reduction in sailing speed required for shipowners and charterers to comply with stricter emission regulations.

IMO regulations and speed restrictions:

IMO CII and EEXI regulation effective from 2023

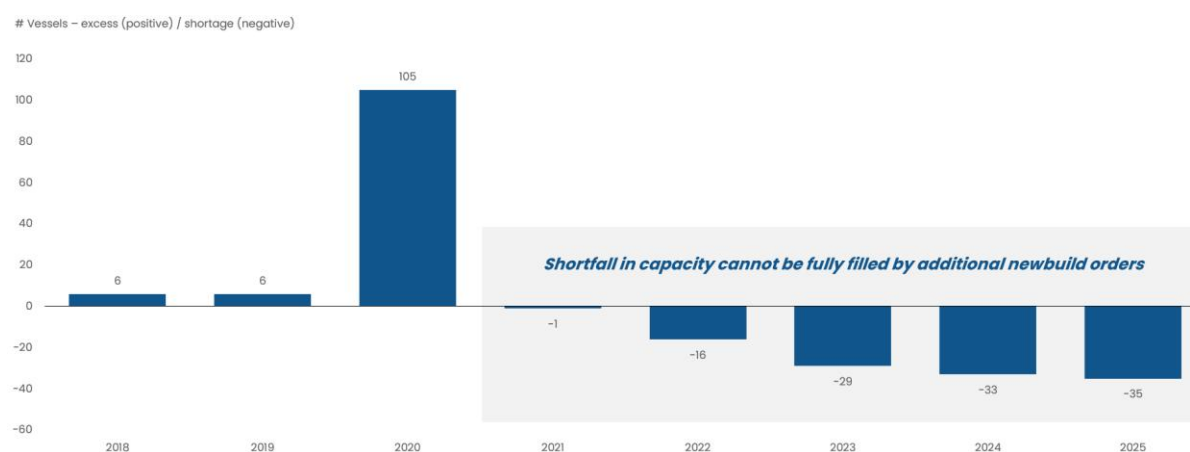


Source: Company, Fearnresearch, DNV

4.8.6 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 gradually increase from 16 vessels in 2022 to 35 vessels in 2026, which should bode well for a further tightening charter market for car carriers.

Car carrier vessel surplus/deficit for each year:



Source: Company, LMC Automotive

4.9 Regulatory environment

Shipping market participants are bound by numerous national, regional and global regulations. The International Maritime Organization ("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 Energy Efficiency Existing Ship Index ("**EEXI**") and the Carbon Intensity Indicator (**CII**), will come into effect on 1 January 2023.

4.9.1 *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.

4.9.2 *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.

4.9.3 *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 ("**EEDI**"), 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 routing 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.

4.10 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%.

It is the intention that GCC Shipowning Norway, Gram Car Carriers Leasing 1 AS ("**GCC Leasing 1**"), Gram Car Carriers Leasing 2 AS ("**GCC Leasing 2**") and Gram Car Carriers Leasing 3 AS ("**GCC Leasing 3**") will be taxed under 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.

4.11 Material agreements, patents etc.

Apart from the agreements pertaining to the Transfers as described in Section 4.2 and other agreements entered into as part of the Group's ordinary course of business, neither the Company nor any other Group company has entered into any material agreements or other agreements containing rights or obligations of material importance to the Group.

The Group has entered into ship management contracts with OSM Ship Management, a professional ship management and crewing company headquartered in Norway. OSM Ship Management is the crew and technical manager of the Owned Vessels. Other than this, and the borrowings described in Section 6.6 below, it is the Company's opinion that the Group's existing business and profitability are not dependent upon any single contract.

Other than certain domain names, the Company does not own any intellectual property.

4.12 Related party transactions

Below is a summary of the Group's related party transactions for the periods covered by the historical financial information included in this Information Document (see [Appendices B-D](#)) and up to the date of this Information Document:

- i) GCC Management provides technical management 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) The chair of the Board of Directors, Ivar Hansson Myklebust, has been engaged as an independent advisor to the Group in conjunction with the preparations for and execution of the Private Placement, the Transfers and the Admission, through a consultancy agreement between GCC Management and a company controlled by the chair, H&M Hinderaker & Myklebust AS. As of the date of this Information Document, the remuneration paid and incurred to H&M Hinderaker & Myklebust AS under the consultancy agreement amounts to approx. NOK 4.5 million.
- iv) 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. 317971 and no. 317961.

4.13 Legal and arbitral proceedings

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.

5 ORGANIZATION, THE BOARD OF DIRECTORS AND MANAGEMENT

5.1 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 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 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 every fourth month.

5.2 The Board of Directors

5.2.1 Overview

The Articles of Association set out that the Board of Directors shall comprise between three and seven Board Members. The table below sets out the names and other details of the current members of the Board of Directors:

Name	Position	Served since	Term expires	Shares
Ivar Hansson Myklebust ¹	Chair	2021	2023	28,301
Nikolaus H. Schües ²	Vice chair	2022	2023	8,135,358
Alasdair Locke ³	Board Member	2021	2023	1,938,782
Christine Rødsæther	Board Member	2021	2023	18,745
Nils Kristoffer Gram ⁴	Board Member	2021	2023	1,886
Dr. Gaby Bornheim ⁵	Board Member	2022	2023	-
Clivia Breuel ⁶	Board Member	2022	2023	-
Nicolaus Bunnemann ⁷	Alternate Board Member	2022	2023	-

- 1) The Shares are held through H&M Hinderaker & Myklebust AS, a company controlled by Ivar Hansson Myklebust.
- 2) Nikolaus H. Schües is the ultimate owner and was nominated to the Board by F. Laeisz, a company that owns 8,135,358 Shares, equal to approximately 28.32% of the Company's total share capital (see further details in Section 4.2.2).
- 3) The Shares are held through Glenrines, a company controlled by Alasdair Locke.
- 4) Nils Kristoffer Gram is the son of Peter D. Gram (founder of GCC Singapore) and brother of Harald Mathias Gram (Head of Projects). Harald Mathias Gram is a major shareholder through HM Gram Enterprises Limited, HM Gram Investments III Limited and HMG AS, owning in aggregate 1,786,741 Shares, equal to approximately 6.22% of the Company's total share capital.
- 5) Dr. Gaby Bornheim was nominated to the Board by F. Laeisz, a company that owns 8,135,358 Shares, equal to approximately 28.32% of the Company's total share capital (see further details in Section 4.2.2).
- 6) Clivia Breuel was nominated to the Board by AL Maritime Holding, a company that owns 2,000,604 Shares, equal to approximately 6.97% of the Company's total share capital. Clivia Breuel indirectly owns 20% of AL Maritime Holding.
- 7) Nicolaus Bunnemann was nominated to the Board by AL Maritime Holding, a company that owns 2,000,604 Shares, equal to approximately 6.97% of the Company's total share capital. Nicolaus Bunnemann indirectly owns in excess of 25 % of AL Maritime Holding.

No Board Member owns any options or other securities exchangeable for Shares.

The Company's registered address, Bryggegata 9, 0250 Oslo, Norway, serves as business address for the members of the Board of Directors as regards their directorship in the Company.

The Company has currently established an audit committee consisting of the Board Members Nils Kristoffer Gram (chair), Nikolaus H. Schües and Ivar Hansson Myklebust, a nomination committee consisting of Erik Lind (chair), Kristian Falnes and Hannes Thiede, as well as a remuneration committee consisting of the Board Members Christine Rødsæther (chair), Alasdair Locke, Dr. Gaby Bornheim and Clivia Breuel.

5.2.2 *Brief biographies of the Board Members*

Set out below are brief biographies of the Board Members, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside 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 a board member in OMP Capital AS / OMP Management AS and has previously served as both CEO and CFO of Höegh Autoliners, and CFO of D/S Norden. Mr. Myklebust has previously held board positions as chair of Havyard Ship Technology; 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.

Nikolaus H. Schües, Vice chair of the Board

Mr. Schües is the principal and CEO of F. Laeisz 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.

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 non-Executive Chair of Hardy Oil & Gas plc, Chair 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.

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, Bank Norwegian ASA and Tufton Oceanic Assets Limited, and Mrs. Rødsæther has previously acted as board member in Norwegian Guarantee Institute for Export (GIEK), Grieg Shipping and Songa Bulk 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.

Nils Kristoffer Gram, Board Member

Nils Kristoffer Gram has since 2020 served as the CEO of ProCorp AS, a boutique SME focused investment bank. Mr. Gram also acts on the board of Critical Metals Ltd and has previously acted as board member of Element ASA. Mr. Gram has a long and varied experience from capital markets and investments and has previously worked as MD of Gram Shipping AS. Furthermore, he was Partner - Corporate Finance at Pareto Securities AS. Mr. Gram holds a MA in Management from the University of St Andrews.

Dr. Gaby Bornheim, Board Member

Dr. Bornheim is Managing Director of Peter Döhle Schiffahrts KG. In the past she was inhouse counsel for Deutsche Shell AG and MobilOil AG. Gaby is President of the German Shipowners Association. Dr. Bornheim has been nominated as Board Member by F. Laeisz.

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 AL Maritime Holding. 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 Holding.

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. He was nominated to the Board by AL Maritime Holding.

5.3 The Management

5.3.1 Overview

As of the date of this Information Document, the Management consists of the following persons:

Name	Position	Employed since	Shares
Georg A. Whist	CEO	2018	238,009
Gunnar Koløen	CFO	2009	18,745
Børre Mathisen	COO	2013	30,035
Harald Mathias Gram ¹⁾	Head of Projects	2011	1,786,741

1) The Shares are held through HMG AS, HM Gram Enterprises Limited and HM Gram Investments III Limited, companies controlled by Harald Mathias Gram.

No member of Management owns any options or other securities exchangeable for Shares.

The Company's registered address, Bryggegata 9, 0250 Oslo, Norway, serves as business address for the members of the Management as regards their positions with the Company.

5.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management:

Georg Alexander Whist, CEO

Georg Alexander Whist has served as CEO of GCC Singapore 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.

Gunnar Stautland Koløen, CFO

Gunnar Stautland Koløen has served as CFO 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.

Børre Iversen Mathisen, COO

Børre Mathisen joined the Former Group 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 Hoegh Autoliners 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).

Harald Mathias Gram, Head of Projects

Harald Mathias Gram joined the Former Group 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.

5.4 Benefits upon termination

The Company's CEO has waived his employment protection in lieu of 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 Information Document, no members of Management or the Board of Directors are entitled to any additional remuneration following the termination of their employments/service.

5.5 Employees and share-based incentive program

As of the date of this Information Document, the Group has 15 full-time equivalents and employees.

The Company has currently not implemented any share-based incentive program or share purchase program, and there are no options issued by the Company or any other company within the Group. However, in order to stimulate long-term profitability and value creation as well as being able to attract and retain competent members of the Management and other employees, the Company expects to implement a share-based incentive program during 2022. The terms and conditions of such future program will be published by the Company in due course.

5.6 Corporate governance requirements

The Board has a responsibility to ensure that the Company has good corporate governance.

As the Company is not listed on any Regulated Market, no mandatory corporate governance code applies. The trading of the Shares on Euronext Growth does not provide specific requirements in terms of corporate governance code, such as the Norwegian Code of Practice for Corporate Governance. However, the Company will follow the Norwegian Code of Practice for Corporate Governance in all material respects following the Admission to Trading.

5.7 The Board of Directors' independence, conflicts of interests etc.

As of the date of this Information Document, and except as set out below, all Board Members are independent of the Management and the Company's material business contacts and main shareholders:

- i) The vice chair of the Board Nikolaus H. Schües is the ultimate owner of and was nominated to the Board by F. Laeisz. F. Laeisz owns 8,135,358 Shares, equal to approximately 28.32% of the Company's total share capital (see further details in Section 4.2.2);
- ii) Board Member Dr. Gaby was nominated to the Board by F. Laeisz. F. Laeisz owns 8,135,358 Shares, equal to approximately 28.32% of the Company's total share capital;
- iii) Board Member Nils Kristoffer Gram is the son of Peter D. Gram (founder of GCC Singapore) and brother of Harald Mathias Gram (Head of Projects). Harald Mathias Gram is also a major shareholder through HM Gram Enterprises Limited, HM Gram Investments III Limited and HMG AS, owning in aggregate 1,786,741 Shares, equal to approximately 6.226% of the Company's total share capital;
- iv) Board Member Alasdair Locke controls Glenrinnnes, which owns 1,938,782 Shares, equal to approximately 6.75% of the Company's total share capital; and
- v) Board Member Clivia Breuel and alternate Board Member Nicolaus Bunnemann were nominated to the Board by AL Maritime Holding, a company which owns 2,000,604 Shares, equal to approximately 6.97% of the Company's total share capital, and of which they indirectly own 20% and in excess of 25%, respectively.

During the last five years preceding the date of this Information Document, none of the members of the Board of Directors or the members of the Management has, 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 was 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 or her capacity as a founder, director or manager of a company.

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.

6 UNAUDITED PRO FORMA AND OTHER SELECTED FINANCIAL INFORMATION

6.1 Introduction and basis for preparation

The Company was incorporated in August 2021 as the parent company of a new Norwegian corporate structure that was set up for the purpose of the Transfers (see Section 4.2 above) and the Admission. The Transfers were completed on 25 January 2022. This Section includes the Pro Forma Financial Statements (see Section 6.3) and selected financial information extracted from the Former Group Financial Statements (see Section 6.4), as further detailed in Section 3.2.1 above. The Former Group Financial Statements are enclosed hereto as Appendices B-C.

All of the underlying transaction steps forming part of the Transfers have for accounting purposes been considered as a restructuring and refinancing of the Former Group, together with an issue of new Shares. This implies that the carrying values of assets and liabilities in the Former Group (with GCC Singapore as the parent company) as set out in the Former Group Financial Statements, has been recognized in the Group (with the Company as the parent company) going forward, with the same carrying values as in the Former Group, i.e. in line with predecessor accounting (i.e. to continuity) and with no fair value adjustments. Please refer to Section 3.2.1.2 above regarding factors affecting the comparability of the Former Group Financial Statements and the Group's financial statements going forward.

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Pro Forma Financial Statements and the Former Group Financial Statements.

6.2 Summary of accounting policies and principles

The Former Group Financial Statements, and the Former Group's financial statements as of and for the nine months period ended 30 September 2021 on which the Pro Forma Financial Statements are based, have been prepared in accordance with Singapore FRS, see Section 3.2.1 above. Further information on accounting policies and principles is included in note 1 to the Former Group Financial Statements for 2020, attached hereto as Appendix C. There are no material differences between Singapore FRS and IFRS that will affect the Group's financial statements going forward.

With respect to the Pro Forma Financial Statements, BDO AS has applied assurance procedures in accordance with the International Standard on Assurance Engagements 3420, "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*" in order to express an opinion as to whether the unaudited Pro Forma Financial Statements have been properly compiled on the basis stated, and that such basis is consistent with the accounting policies of the Company. BDO AS' report on the unaudited Pro Forma Financial Statements is included in Appendix E.

6.3 The Pro Forma Financial Statements

6.3.1 Introduction

The unaudited condensed Pro Forma Financial Statements are compiled on and derived from the Former Group's financial statements as of and for the nine months period ended 30 September 2021, and are prepared in accordance with the requirements set out in Annex 20 to Commission delegated Regulation (EU) no. 2019/980 supplementing the EU Prospectus Regulation. This information included in the Pro Forma Financial Statements is not in compliance with SEC Regulation S-X, and if the Shares had been registered under the U.S. Securities Act of 1933, the Pro Forma Financial Statements, including the report by the BDO AS, would have been amended and/or removed from the Information Document.

The Pro Forma Financial Statements have been prepared for illustrative purposes only to show how the relevant pro forma adjustments set out in Section 6.3.4 below (the "**Pro Forma Events**") pertaining to the Transfers would have affected the Company's consolidated income statement and statement of financial position as of and for the

nine months period ended 30 September 2021, if the Pro Forma Events had occurred on 1 January 2021 for the income statement and on 30 September 2021 for the statement of financial position.

The Pro Forma Financial Statements are prepared in a manner consistent with the accounting policies of the Former Group, under the assumption of going concern. The Former Group's current accounting policy is in accordance with the provisions of the Singapore Companies Act and Singapore FRS. Going forward, the Company will prepare its annual financial statements in accordance with IFRS and its interim financial statements in accordance with IAS 34. There are no material differences between Singapore FRS and IFRS that have an effect on the Pro Forma Financial Statements, and hence, no IFRS adjustments have been made to the Pro Forma Financial Statements.

The Pro Forma Financial Statements do not include all of the information required for financial statements under Singapore FRS or IFRS and should be read in conjunction with the Former Group Financial Statements and the Parent Financial Statements (see [Appendix D](#)). Because of its nature, the Pro Forma Financial Statements address a hypothetical situation and therefore do not represent the Company's actual income statement or statement of financial position if the Pro Forma Events had in fact occurred on those dates, and are not representative of the results of operations for any future periods. Investors are cautioned not to place undue reliance on the Pro Forma Financial Statements.

6.3.2 Unaudited pro forma income statement

The table below sets out the unaudited condensed pro forma income statement of the Group for the period from 1 January to 30 September 2021, as if the Pro Forma Events (see Section 6.3.4 below) had taken place on 1 January 2021.

<i>(in USD million)</i>	Former Group	Pro forma adj. (non-continuing business)	Note	Pro forma adj. (the Laeisz Transfers)	Note	Pro forma adj. (financing)	Note	Group pro forma
Operating revenues	55.4	(3.9)	A	7.1	B	-		58.6
Other income	0.6	-		-		-		0.6
Operating expenses	(26.0)	1.3	A	(3.3)	B	-		(28.0)
Administrative expenses	(3.0)	-		-		-		(3.0)
EBITDA	26.9	(2.6)		3.8		-		28.1
Depreciation	(18.7)	-		(2.3)	B	-		(21.0)
Interest expense	(12.9)	0.7	A	(1.0)	B	4.1	C	(9.1)
Loss on disposal of vessels	0.3	(0.3)	A	-		-		-
Amortization of loan fees	(0.1)	-		(0.1)	B	(0.2)	C	(0.3)
EBIT	(4.5)	(2.3)		0.4		3.9		(2.3)
Income tax expense	-	-		-		-		-
Net income/ (loss)	(4.5)	(2.3)		0.4		3.9		(2.3)
Other comprehensive income	-	-		-		-		-
Total comprehensive income	(4.5)	(2.3)		0.4		3.9		(2.3)

6.3.3 Unaudited pro forma statement of financial position

The table below sets out the unaudited condensed pro forma statement of financial position of the Group as of 30 September 2021, as if the Pro Forma Events (see Section 6.3.4 below) had taken place on 30 September 2021.

(in USD million)	Former Group	Pro forma adj. (the Laeisz Transfers)	Note	Pro forma adjustments (financing/ equity)	Note	Group pro forma
Assets	497.9	102.4		(36.8)		563.5
Non-current assets	479.4	61.6		-		541.0
PCTC vessels	477.6	61.6	B	-		539.2
Other assets	1.8	-		-		1.8
Current assets	18.5	40.7		(36.8)		22.5
Trade and other receivables	0.1	-		-		0.1
Cash and cash equivalents	15.3	40.7	D	(36.8)	E / F	19.2
Inventories	1.8	-		-		1.8
Other current assets	1.2	-		-		1.2
Liabilities	415.8	52.6		(123.6)		344.8
Non-current liabilities	385.8	36.5		(120.2)		302.1
Bank borrowings	314.5	36.5	D	(156.3)	E	194.7
Lease liabilities	44.3	-		63.0	E	107.3
Redeemable convertible loans	26.9	-		(26.9)	G	-
Other liabilities	0.2	-		-		0.2
Current liabilities	30.0	16.1		(3.4)		42.7
Bank borrowings	17.0	4.2	D	3.0	E	24.2
Lease liabilities	4.2	-		5.5	E	9.7
Trade and other payables	6.0	-		-		6.0
Deferred income	1.9	-		-		1.9
Other current liabilities	0.8	11.9	D	(11.9)	D	0.8
Equity	82.1	49.7		86.8		218.7
Attributable to owners	68.0	49.7	D	101.0	D / F / G / H	218.7
Non-controlling interests	14.2	-		(14.2)	H	-

6.3.4 The Pro Forma Events

6.3.4.1 Disposal of PCTC vessel – non-continuing business (Note A)

In August 2021, the Former Group disposed of a PCTC vessel, and the operating revenues, operating expenses and interest expense relating to this vessel have been eliminated in order to derive to the pro forma income statement of the Group for the period from 1 January to 30 September 2021. The vessel had been reclassified from PCTC vessels (non-current assets) to assets held for sale (current assets) prior to 1 January 2021, and as such no depreciation charge had been recognized during the period from 1 January to 30 September 2021. The vessel had been impaired to the net realisable value prior to 1 January 2021. The net effect of the pro forma adjustments is a USD 2.3 million reduction of total comprehensive income. At the time of the disposal of the vessel, USD 0.3 million of the lease liability had been waived and this amount has been reversed by the Former Group during the period from 1 January to 30 September 2021. Consequently, a pro forma adjustment has been made against equity.

6.3.4.2 Acquisition of two PCTC vessels from F. Laeisz (Notes B and D)

Note B:

In connection with the Laeisz Transfers, the Group acquired two PCTC vessels from F. Laeisz for a consideration of USD 61.6 million. Operating revenues and expenses for these vessels have been included as pro forma adjustments for the period from 1 January to 30 September 2021. Operating revenues are based on charter rates as per the respective vessel's time charter parties, and operating expenses are based on USD 5,982 per day for each vessel, which is based on the Former Group's operating expenses for similar vessels during the same period.

The vessels are built in 2012 and have an estimated remaining economic useful life of 20 years. Depreciation of USD 2.3 million has been included as a pro forma adjustment for the period from 1 January to 30 September 2021.

The two acquired vessels have been partly financed by the USD 222 million Credit Facility (see Section 6.6 below). Pro forma adjustments have been made as if this financing had been in place since 1 January 2021. The adjustments include interest expense amounting to USD 1.0 million and amortization of loan fees of USD 0.1 million.

Note D:

Based on the new USD 222 million Credit Facility (see Section 6.6 below), pro forma adjustments have been made to bank borrowings (under non-current liabilities and current liabilities) to reflect the draw down under this facility. Non-current bank borrowings are net of USD 0.4 million fees payable in connection with the USD 222 million Credit Facility.

The consideration for the two PCTC vessels acquired from F. Laeisz was USD 61.6 million, of which approximately USD 49.7 million was settled by conversion of seller's credits against the issuance of 8,135,358 new Shares in the Company at a price of NOK 53 per Share, and approximately USD 11.8 million was settled in cash.

Subject to full exercise of the Greenshoe Option (see Section 7.3.1 below), F. Laeisz will hold 7,252,255 Shares, equivalent to approximately 25.25% of the Company's share capital. If the Greenshoe Option is not exercised, F. Laeisz will continue to hold 8,135,358 Shares, equivalent to approximately 28.32% of the Company's share capital.

6.3.4.3 Refinancing of the Group (Notes C and E)

Note C:

In connection with the Transfers, the Group replaced two former credit facilities with the USD 222 million Credit Facility and the New Leasing Debt of USD 70 million (see Section 6.6 below). Outstanding amount under the former credit facilities amounted to USD 334.7 million, whereas total proceeds under the USD 222 million Credit Facility and the New Leasing Debt amount to USD 292.0 million. The balance has been financed through the proceeds from the issuance of new Shares in connection with the Transfers. Pro forma adjustments have been made to reflect the reduced interest-bearing debt and corresponding change in interest expense and amortization of loan fees incurred as if the refinancing of the former credit facilities and issuance of new Shares had taken place on 1 January 2021. The net effect is a USD 3.9 million increase in total comprehensive income comprising of a reduction of interest expense amounting to USD 4.1 million and an increase of amortization of loan fees of USD 0.2 million.

Note D:

Please see Note D above in Section 6.3.4.2.

Note E:

Considering the USD 222 million Credit Facility and the New Leasing Debt, pro forma adjustments have been made to bank borrowings and lease liabilities (under non-current liabilities and current liabilities) to reflect the draw down

under the USD 222 million Credit Facility and USD 70 million sale-and-lease-back transaction and repayment of the Former Group's former credit facilities. Non-current bank borrowings are net of USD 3.1 million fees payable in connection with the USD 222 million Credit Facility. Similarly, non-current lease liabilities are net of USD 1.6 million fees payable in connection with the New Leasing Debt. Repayment instalments payable under the USD 222 million Credit Facility and finance lease falling due during the next 12 months are classified as bank borrowings and lease liabilities under current liabilities. In addition to the USD 70 million lease under the New Leasing Debt, two existing leases have been novated from the Former Group to the Group, amounting to a total of approx. USD 46 million (the Existing Leasing Debt, see Section 6.6 below).

The table below sets out the movements in bank borrowings following from the pro forma adjustments.

<i>(in USD million)</i>	Bank borrowings (non-current portion)	Bank borrowings (current portion)
GCC Singapore consolidated 30 September 2021	314.5	17.0
Draw down under new USD 222 million Credit Facility	197.8	24.2
Capitalized loan fees	(3.1)	-
Repayment of former credit facilities	(314.5)	(17.0)
Group Pro forma 30 September 2021	194.7	24.2

The table below sets out the movements in lease liabilities following from the pro forma adjustments.

<i>(in USD million)</i>	Lease liabilities (non-current portion)	Lease liabilities (current portion)
GCC Singapore consolidated 30 September 2021	44.3	4.2
Proceeds from sale-and-lease-back transaction	64.5	5.5
Capitalized fees	(1.6)	-
Group Pro forma 30 September 2021	107.3	9.7

6.3.4.4 The Private Placement (Note F)

As part of the Private Placement (see Section 7.3) the Company raised USD 65.9 million in new equity. Pro forma adjustments have been made to reflect the new equity net of transaction costs of USD 5.9 million.

6.3.4.5 Conversion of loans in connection with the Gram Transfers (Note G)

As part of the Gram Transfers, convertible loans made by the shareholders of GCC Singapore (the Former Group's parent company) have been converted to equity. A pro forma adjustment of USD 26.9 million has been made to reflect this, representing convertible loans outstanding as per 30 September 2021 including accrued interest.

6.3.4.6 Conversion of non-controlling interests in connection with the Gram Transfers (Note H)

As part of the Gram Transfers, non-controlling interests in three subsidiaries of the Former Group have been converted into equity in the Company. A pro forma adjustment of USD 14.2 million has been made to reflect such conversion, representing non-controlling interests as per 30 September 2021.

6.3.4.7 Pro forma adjustments (cash) (Notes D, E and F)

The table below sets out a reconciliation of the pro forma adjustments effect on the Group's cash and cash equivalents:

<i>(in USD million)</i>	Note	30 September 2021
GCC Singapore consolidated		15.3
Pro forma adjustments (acquisition of PCTC vessels from F. Laeisz)		40.7

Partial proceeds under new USD 222 million Credit Facility	C	42.0
Partial fees payable in relation to new USD 222 million Credit Facility	C	(1.3)
Pro forma adjustments (financing/ equity)		(36.8)
Issuance of new Shares in the Private Placement	E	65.9
Transaction costs	E	(5.9)
Cash settlement amount for Laeisz vessels	D	(11.9)
Partial proceeds under new USD 222 million Credit Facility	D	180.0
Partial fees payable in relation to new USD 222 million Credit Facility	D	(1.8)
Proceeds under new USD 70m sale-and-lease-back transaction (the New Leasing Debt)	D	70.0
Fees payable in relation to new USD 70m sale-and-lease-back transaction	D	(1.6)
Repayment of former credit facilities	D	(331.5)
Group pro forma		19.2

6.4 The Former Group Financial Statements

6.4.1 Selected income statement

The table below sets out selected data derived from the Former Group's audited income statement as included in the Former Group Financial Statements.

<i>(in USD million)</i>	31 December 2020	31 December 2019
Vessel operating revenues	45.2	69.9
Other income	0.8	0.1
Vessel operating expenses	(33.3)	(36.0)
Administrative expenses	(4.5)	(7.1)
EBITDA	8.1	25.6
Depreciation	(27.0)	(28.1)
Interest expense	(15.5)	(29.0)
Impairment vessels	(17.8)	(4.7)
Impairment goodwill	-	(10.8)
Loss on disposal of vessel	0.2	(2.6)
Amortization of loan fees	(1.2)	(1.1)
EBIT	(52.2)	(49.4)
Income tax expense	0.1	(0.2)
Net loss	(53.0)	(49.6)
Other comprehensive income/ (loss)	(0.1)	0.2
Total comprehensive loss	(53.1)	(49.4)
Attributable to owners	(49.9)	(46.7)
Attributable to non-controlling interests	(3.2)	(2.7)

6.4.2 Selected statement of financial position

The table below sets out selected data derived from the Former Group's audited statement of financial position as included in the Former Group Financial Statements.

<i>(in USD million)</i>	31 December 2020	31 December 2019
Assets	550.8	589.6
Non-current assets	492.7	575.8
PCTC vessels	490.9	573.6

Other assets	1.8	2.1
Current assets	58.1	13.8
Assets held for sale	42.7	-
Trade and other receivables	0.4	0.5
Cash and cash equivalents	11.6	10.5
Inventories	2.6	2.0
Other current assets	0.9	0.8
Liabilities	464.1	449.8
Non-current liabilities	399.8	382.4
Bank borrowings	328.0	321.1
Lease liabilities	46.7	46.1
Redeemable convertible loans	25.0	15.0
Other liabilities	0.2	0.3
Current liabilities	64.3	67.4
Bank borrowings	4.4	8.2
Lease liabilities	48.4	49.3
Trade and other payables	9.5	7.0
Deferred income	1.2	2.3
Other current liabilities	0.8	0.6
Equity	86.7	139.8
Attributable to owners	73.0	122.9
Non-controlling interests	13.7	16.9

6.5 Changes in the Group's financial or trading position

Other than the transactions carried out as part of the Transfers (see Section 4.2 above), the Group has not carried out any transactions after its incorporation on 3 August 2021 and up to the date of this Information Document, that represent a change of more than 25% in its total assets, revenue or profit or loss.

6.6 Material borrowings and financial commitments

As of the date of this Information Document, the Group has no material interest bearing debt other than the following financing arrangements entered into in connection with the Transfers and the Admission as part of a refinancing of the Group's, and the Former Group's, business:

- i) The Company has secured a USD 222 million senior secured 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 "**USD 222 million Credit Facility**"). The USD 222 million Credit Facility carries an interest of LIBOR/SOFR + 2.95% and matures on 2 January 2027 with scheduled repayments of USD 6,050,000 per quarter. The facility includes customary financial covenants regarding inter alia minimum cash, equity, value on the vessels and a dividend restriction of no more than 50% net profit.
- ii) The Company has secured a USD 70 million sale-and-lease-back financing arrangement with CSSC (Hong Kong) Shipping Company Limited (the "**New Leasing Debt**"). The lease 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.
- iii) The Company has novated a lease amounting to USD 32.7 million entered into by the Former Group with CMB Financial Leasing Co., Ltd. The lease carries an interest of LIBOR + 3.85%, and maturity of

the lease is in March 2027. The lease terms include repurchase options during the course of the lease and has a repurchase obligation at maturity. The lease includes customary financial covenants regarding inter alia minimum cash, equity and value on the vessels.

- iv) The Company has novated a lease amounting to USD 13 million entered into by the Former Group with Japan Investment Advisers Co., Ltd. Bareboat hire payable under the lease is USD 7,250 per day. The lease matures in May 2022. As of the date of this Information Document, negotiations are ongoing to extend the lease.

The financing arrangements described in items iii) and iv) above are together referred to as the **"Existing Leasing Debt"**.

6.7 Working capital statement

As of the date of this Information Document, the Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements.

6.8 Near-term financial reporting and general meeting calendar

Following the publication of this Information Document, the Company expects to publish its financial statements for the first quarter of 2022 no later than 31 May 2022. Furthermore, the Company will hold its first annual general meeting no later than 30 June 2022.

7 SHARES AND SHARE CAPITAL

This Section includes a summary of certain information relating to the Shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Information Document. The mentioned summary does not purport to be complete and is qualified in its entirety by the Articles of Association.

7.1 The Shares

As of the date of this Information Document, the Company has 28,721,804 Shares outstanding, each with a par value of NOK 2.9147180010334. The Shares have been created under the laws of Norway and are registered in book-entry form in the VPS with International Securities Identification Number ("ISIN") NO NO0011109563 and legal entity identifier (LEI) code 549300DDMB7X84EDQN80. All the outstanding Shares are validly issued and fully paid. The Company has only one class of Shares. Each Share carries one vote and all Shares carry equal rights in all respects, including rights to dividends. Other than the lock-up restrictions described in Section 7.3.5 below, all Shares are freely transferable.

On 27 January 2022, Oslo Børs approved the Admission to Trading of the Shares on Euronext Growth. The first day of the Admission to Trading is expected to be on 31 January 2022 under the ticker code "GCC". The Company does not have securities listed on any stock exchange or other Regulated Market, however, in a Board meeting held on 12 October 2021, the Board of Directors resolved to work towards a change of listing venue from Euronext Growth to Oslo Børs, subject to inter alia prevailing market conditions and satisfaction of applicable listing criteria, within 12 months after the Admission.

The Company's VPS-registrar is SpareBank 1 SR-Bank ASA, registrars department, with registered address Christen Tranes gate 35, 4007 Stavanger, Norway (the "VPS Registrar").

7.2 Share capital

7.2.1 Share capital history

As of the date of this Information Document, the registered share capital of the Company is NOK 83,715,959.1409531, divided into 28,721,804 Shares, each with a par value of NOK 2.9147180010334.

The table below shows the development in the Company's share capital since its incorporation to the date of this Information Document:

Date registered	Event	Capital increase (NOK)	Par value (NOK)	Share price (NOK)	Share capital (NOK)	New shares issued	Total no. of Shares
3 August 2021	Incorporation	1,000,000	1.00	1.00	1,000,000	1,000,000	1,000,000
20 October 2021	Share capital increase ¹⁾	100,000	1.10	56.42	1,100,000	-	1,000,000
20 October 2021	Share split	-	0.11	-	1,100,000	-	10,000,000
18 January 2022	Reverse share split	-	NOK 2.9147180010334	-	1,100,000	-	377,395
19 January 2022	The Private Placement ²⁾	31,403,702.22181	NOK 2.9147180010334	53	32,503,702.22181	10,774,182	11,151,577
27 January 2022	Share capital increase ³⁾	23,712,274.41 (rounded)	NOK 2.9147180010334	53	56,215,976.63 (rounded)	8,135,358	19,286,935
27 January 2022	Share capital increase ⁴⁾	24,008,080.393222	NOK 2.9147180010334	53	80,224,057.03 (rounded)	8,236,845	27,523,780
27 January 2022	Share capital increase ⁵⁾	3,491,902.11847	NOK 2.9147180010334	53	83,715,959.14 (rounded)	1,198,024	28 721 804

1) An increase in the par value of each Share (all held by GCC Singapore) in connection with the transfer of shares in GCC Management from GCC Singapore to the Company as part of the Transfers (see Section 4.2 above)

- 2) See Section 7.3 below.
- 3) Share issue towards F. Laeisz GmbH, see Section 4.2.2 above.
- 4) Share issue towards GCC Singapore shareholders.
- 5) Share issue towards the minority shareholders in Global Adventure, Global Bravery and GCC IV.

7.2.2 Authorizations to issue additional Shares

On 17 January 2022, the Company's extraordinary general meeting granted the Board of Directors an authorization to increase the Company's share capital by up to NOK 16,743,218 in connection with completion of larger investments and acquisitions as part of the Company's strategy, to strengthen the Company's capital as well as for the purpose of fulfilling the Company's obligations under its leasing agreements and transfer agreements concerning the Group's vessels. As of the date of this Information Document, the authorization has not been used. The authorization expires on the date of the Company's annual general meeting in 2022 and in any event no later than 30 June 2022.

The shareholders' preferential rights pursuant to section 10-4 of the Norwegian Public Companies Act may be set aside under the aforementioned authorization.

7.2.3 Other financial instruments issued by the Company

Neither the Company nor any of its subsidiaries have issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries.

7.2.4 Ownership Structure

Following the settlement of the Private Placement, see Section 7.3 below, the Company will have a total of 264 registered shareholders with the VPS.

As of the date of this Information Document, 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	8,135,358 ¹⁾	28.32% ¹⁾
AL Maritime Holding	Bunnemann Family ²⁾	2,000,604	6.97%
Glenrinnnes	Alasdair Locke	1,938,782	6.75%
HM Gram	Harald Mathias Gram	1,786,741 ³⁾	6.22%
J. Lauritzen A/S	N/A	1,667,170	5.69%

1) If the Greenshoe Option is not exercised (see further details in Section 4.2.2), and alternatively 7.252.255 Shares and 25.25% if the Greenshoe Option is fully exercised.

2) Including Board Member Clivia Breuel and alternate Board Member Nicolaus Bunnemann.

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

As of the date of this Information Document, the Company does not hold any treasury shares, nor does any of the Company's subsidiaries hold shares in the Company.

There are no arrangements known to the Company that may lead to a change of control in the Company.

7.3 The Private Placement

7.3.1 Details of the Private Placement

On 17 January 2022, the Company's extraordinary general meeting resolved to complete a private placement of 18,909,540 new Shares, each with a par value of NOK 2.9147180010334, at a subscription price of NOK 53 per Share (the "**Offer Price**"), raising gross proceeds of the USD equivalent of NOK 1.002 billion, equivalent to approximately USD 115.6 million (by use of the NOK-USD exchange rate of 8.6675 as per 13 January 2022), and (ii) 883,103 additional shares (the "**Additional Shares**"), at the Offer Price, for approximately NOK 46.8 million, equivalent to approximately USD 5.4 million, representing 10% of the new shares not being pre-committed by F.

Laeisz (see below). Of the new Shares, a total of 8,135,358 Shares (including the 883,103 Additional Shares) were issued to F. Laeisz as consideration for the Laeisz Transfers, see Section 4.2.2 above.

In connection with the allocation of the Additional Shares, F. Laeisz (the "**Share Lender**") granted Pareto (the "**Stabilization Manager**"), acting on behalf of the Managers, an option to borrow a number of Shares equal to the number of Additional Shares in order to facilitate over-allotment (the "**Borrowing Option**") and delivery of the Additional Shares. The Stabilization Manager, acting on behalf of the Managers, was further granted an option by F. Laeisz to, at the Offer Price, acquire a number of Shares from F. Laeisz equal to up to the number of Additional Shares to cover short positions resulting from the sale of Additional shares in the Private Placement (the "**Greenshoe Option**"). The Greenshoe Option is exercisable, in whole or in part, within a 30-day period commencing on the Admission to Trading.

F. Laeisz pre-committed (subject to certain conditions of the transfer and investment agreement regulating the Laeisz Transfers, see Section 4.2.2 above) to subscribe for new Shares for an aggregate amount corresponding to approx. USD 61.6 million, corresponding to the purchase price for the two PCTC vessels acquired under the Laeisz Transfers. Furthermore, five cornerstone investors pre-committed (subject to certain conditions) to subscribe for a total amount of USD 37.40 million, distributed as follows: USD 12 million from AL Maritime Holding, USD 10 million from J. Lauritzen A/S, USD 6 million from KLP Alfa Global Energy, USD 6 million from AS Clipper and USD 3.40 million from Surfside Holding AS.

In addition, certain members of the Company's management and board and existing shareholders in the Company collectively pre-committed to subscribe for Shares for an aggregate amount corresponding to approx. USD 6.75 million.

The application period for the Private Placement took place from 12 January 2022 at 09:00 CET to and including 12 January 2022 at 20:00 CET. Notifications of allocation were issued on 14 January 2022, and delivery vs. payment settlement is expected to take place on or about 31 January 2022.

7.3.2 Price stabilization

The Stabilization Manager may, upon exercise of the Borrowing Option, from the first day of the Admission to Trading, effect transactions with a view to carrying out price stabilization activities in accordance with the EU Market Abuse Regulation, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilization Manager to conduct stabilization activities and there is no assurance that stabilization activities will be undertaken. Such stabilization activities, if undertaken, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the Admission to Trading (the "**Stabilization Period**").

Any net profit resulting from stabilization activities, if conducted by the Stabilization Manager on behalf of the Managers, will be to the benefit of the Share Lender.

Within one week after the expiry of the Stabilization Period, the Stabilization Manager will publish information as to whether or not price stabilization activities were undertaken. If stabilization activities were undertaken, the statement will also include information about: (i) the total amount of Shares sold and purchased; (ii) the dates on which the Stabilization Period began and ended; (iii) the price range between which stabilization was carried out, as well as the highest, lowest and average price paid during the Stabilization Period; and (iv) the date at which stabilization activities last occurred.

It should be noted that stabilization activities might result in market prices that are higher than would otherwise prevail. Stabilization may be undertaken, but there is no assurance that it will be undertaken and it may be stopped at any time.

7.3.3 Reasons for the Private Placement and the Admission

The Company believes the Admission to Trading will:

- i) diversify the shareholder base and enable other investors to take part in the Company's potential value creation;
- ii) further enhance the Company's profile with investors, business partners and customers;
- iii) further enhance the ability of the Company to attract and retain key management and employees;
- iv) provide access to the capital markets; and
- v) allow for a liquid market for the Shares going forward.

The Private Placement was completed immediately prior to the Admission to Trading. Other than the share capital increases carried out as part of the Transfers, no equity capital or proceeds will be raised by the Company in connection with the Admission to Trading.

7.3.4 Use of proceeds

The net proceeds from the issue of the New Shares in the Private Placement have, in combination with proceeds from bank and lease financing, been used to facilitate the Gram Transfers, settle a seller's credit provided by F. Laeisz in connection with the Laeisz Transfers, strengthen the Company's balance sheet through repayment of debt and for general corporate purposes.

In addition, the proceeds will be used to cover relevant transaction costs incurred in connection with the Private Placement.

7.3.5 Lock-up

In connection with the Private Placement, the members of the Board of Directors and the Management entered into customary lock-up arrangements with the Managers for a duration of 12 months following the Admission to Trading. Furthermore, the Company has entered into a lock-up for a duration of 6 months. Certain shareholders of the Company that were shareholders of GCC Singapore and F. Laeisz have entered into lock-up arrangements for a duration of 12 months, while two minority shareholders of the Former Group, Galaxy Carriers Corporation and Universal Sea Carriers Ltd, have entered into lock-up arrangements for a duration of 6 months.

7.4 Dividend and dividend policy

7.4.1 Dividends policy

The Company has established a clear dividend policy, where the guideline is to pay at least 50% of the Group's net profit in dividends, on a quarterly basis. However, future dividends will be dependent on among other things a substantial increase in revenues from previous years and a positive net profit on a quarterly and annual basis. There can be no assurance that dividends will be proposed or declared in the future, in any given year. The Company has not paid any dividends on its Shares to date.

Furthermore, the Company's financial agreements and financial covenants thereunder (see Section 6.6 above) may from time to time impose restrictions on the ability to pay dividends according to the dividend policy. In the event that the Company wishes to distribute more than 50% of net profits, the Group will be required to obtain consent from its lenders.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions as set out in Section 7.4.2 below, as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

7.4.2 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 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 force 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.

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 in the company. A subscriber of new shares in 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. 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 8 "Norwegian taxation".

7.4.3 Manner of dividend payments

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 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 account, at the time when the shareholder has provided the VPS Registrar with their bank account details. 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.

7.5 The Articles of Association

The Articles of Association are enclosed in Appendix A to the Information Document, a summary of which is given below:

7.5.1 *Objective of the Company*

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

7.5.2 *Share capital and par value of each Share*

The Company's share capital is NOK 83,715,959.1409531, divided into 28,721,804 Shares, each with a par value of NOK 2.9147180010334.

7.5.3 *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.

7.5.4 *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.

7.5.5 *Restrictions on transfer of Shares*

As part of the Transfers, certain shareholders in the Company and previous shareholders of GCC Singapore pledged their shares to the benefit of GCC Singapore as security for the debt pertaining to the sellers' credit granted by the former shareholders of GCC Singapore in connection with the Transfers. Apart from this, and the lock-up undertakings described in Section 7.3.5 above, there are no restrictions on transfer of the Shares.

7.6 **Certain aspects of Norwegian corporate law**

7.6.1 *General meetings*

Through the general meeting, shareholders exercise supreme authority in a Norwegian public limited liability company. The date for the first annual general shareholder meeting following the Admission to Trading is not set. However, 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 time of, the venue for and the agenda of the meeting is sent to all shareholders with a known address no later than seven days before the annual general meeting of a Norwegian public limited liability company shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy (the proxy holder is appointed at their own discretion). Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the shareholders' register kept and maintained with VPS as of the date of the general meeting, or who otherwise have reported and documented ownership of shares in the Company, are entitled to participate at general meetings, without any requirement of pre-registration.

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 shall also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands such in writing. The requirements for notice and Admission to the annual general meeting also apply to extraordinary general meetings.

7.6.2 *Voting rights – amendments to the articles of association*

Each Share carries one vote. In general, decisions shareholders 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 receive(s) the greatest number of votes cast is elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe or 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.

In general, only a shareholder registered in VPS is entitled to vote for such Shares. Beneficial owners of the Shares that 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 nominees.

There are no quorum requirements that apply to the general meetings.

7.6.3 *Additional issuances and preferential rights*

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. 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 or from the Company's share premium reserve 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 issuing 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 and other jurisdictions upon the exercise of preferential rights may require the Company to file a registration statement or prospectus in the United States under United States securities laws or in such other jurisdictions under the laws of such jurisdictions. Should the Company in such a situation decide not to file a registration statement or prospectus, the Company's U.S. shareholders and shareholders in such other jurisdictions may not be able to exercise their preferential rights. To the extent that 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.

7.6.4 *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 10% 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 in time for such item to be included in the notice of the 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 general meeting has not expired.

7.6.5 *Rights of redemption and repurchase of shares*

The share capital of the Company may be reduced 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 lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, 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.

7.6.6 *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 two weeks prior to the general meeting to pass upon the matter.

7.6.7 *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.

7.6.8 *Indemnification of board members*

Neither Norwegian law nor the Articles of Association contain 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.

7.6.9 *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 the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

7.7 **Takeover bids and forced transfer of shares**

The Company is not subject to the takeover regulations, applicable only to companies with shares listed on a Norwegian Regulated Market, set out in the Norwegian Securities Trading Act, or otherwise.

The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Public Companies Act. If a public limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Public Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

7.8 **Insider trading**

According to the Market Abuse Regulation ((EU) No. 596/2014, "**MAR**"), as implemented through the Norwegian Securities Trading Act, subscription for, purchase, sale or exchange of financial instruments that are admitted to trading, or subject to an application for Admission to Trading on a Norwegian Regulated Market or a Norwegian Multilateral Trading Facility, or incitement to such dispositions, must not be undertaken by anyone who has inside information. Inside information is defined in Article 7(1)(a) of the MAR and refers to precise information about financial instruments issued by the Company admitted to trading, about the Company admitted trading itself or about other circumstances which are likely to have a noticeable effect on the price of financial instruments issued by the Company admitted to trading or related to financial instruments issued by the Company admitted to trading,

and which is not publicly available or commonly known in the market. Information that is likely to have a noticeable effect on the price shall be understood to mean information that a rational investor would probably make use of as part of the basis for his investment decision. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions. Breach of insider trading obligations may be sanctioned and lead to criminal charges.

8 NORWEGIAN TAXATION

This Section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes ("**Norwegian Shareholders**") and to shareholders who are not resident in Norway for tax purposes ("**Foreign Shareholders**"). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Information Document and are subject to any changes in law occurring after such date. 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. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Foreign Shareholders refers to the tax residency rather than the nationality of the shareholder.

8.1 Norwegian shareholders

8.1.1 *Taxation of dividends*

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) ("**Norwegian Corporate Shareholders**") are comprised by the Norwegian participation exemption. Under the exemption, only 3% of dividend income on shares in Norwegian limited liability companies is subject to tax as ordinary income (22% flat rate as of 2022), implying that such dividends are effectively taxed at a rate of 0.66%.

Dividends distributed to Norwegian individual shareholders (i.e. other shareholders than Norwegian Corporate Shareholders) ("**Norwegian Individual Shareholders**") are grossed up with a factor of 1.6 before taxed as ordinary income (22% flat rate, resulting in an effective tax rate of 35.2%) to the extent the dividend exceeds a tax-free allowance.

The tax-free allowance is calculated on a share-by-share basis for each individual shareholder on the basis of the cost price of each of the Shares multiplied by a risk-free interest rate. The risk-free interest rate is based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The tax-free allowance is calculated for each calendar year and is allocated solely to Norwegian Individual Shareholders holding Shares at the expiration of the relevant calendar year. Norwegian Individual Shareholders who transfer Shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the Share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realization of, see below) the same Share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same Share the following year.

The Shares will not qualify for Norwegian share saving accounts (Nw.: *aksjesparekonto*) for Norwegian Individual Shareholders as the Shares are listed on the Euronext Growth (and not Oslo Børs/Euronext Expand).

8.1.2 *Taxation of capital gains*

Sale, redemption or other disposal of Shares is considered as a realization for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realization of shares in Norwegian limited liability companies, such as the Company, are comprised by the Norwegian participation exemption and therefore tax exempt. Net losses from realization of Shares and costs incurred in connection with the purchase and realization of such Shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains derived from realization of Shares, and have a corresponding right to deduct losses. This applies irrespective of how long the Shares have been owned by the individual shareholder and irrespective of how many Shares that are realized. Gains are taxable as ordinary income in the year of realization and losses can be deducted from ordinary income in the year of realization. Any gain or loss is grossed up with a factor of 1.6 before taxed at a rate of 22% (resulting in an effective tax rate of

35.2%). Gain or loss is calculated per Share, as the difference between the consideration received for the Share and the Norwegian Individual Shareholder's cost price for the Share, including costs incurred in connection with the acquisition or realization of the Share. Any unused tax-free allowance connected to a Share may be deducted from a capital gain on the same Share, but may not lead to or increase a deductible loss. Further, unused tax-free allowance related to a Share cannot be set off against gains from realization of other Shares.

If a Norwegian shareholder realizes Shares acquired at different points in time, the Shares that were first acquired will be deemed as first sold (the "first in first out"-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of Shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

8.1.3 *Net wealth tax*

The value of Shares is taken into account for net wealth tax purposes in Norway. The marginal net wealth tax rate is currently 0.95% of the value assessed. The value for assessment purposes for the Shares is equal to 75% of the total tax value of the Company as of 1 January of the year before the tax assessment year. However, if the share capital in the Company has been increased or reduced by payment from or to shareholders in the year before the tax assessment year, the value for assessment purposes for the Shares is equal to 75% of the total tax value of the Company as of 1 January of the tax assessment year. The value of debt allocated to the Shares (a proportional part of the shareholder's total debt) for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%).

Norwegian limited liability companies and similar entities are exempted from net wealth tax.

8.2 **Foreign Shareholders**

8.2.1 *Taxation of dividends*

Dividends paid from a Norwegian limited liability company to Foreign Shareholders are subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. The shareholder's country of residence may give credit for the Norwegian withholding tax imposed on the dividend.

If a Foreign Shareholder is carrying on business activities in Norway and the Shares are effectively connected with such activities, the Foreign Shareholder will be subject to the same taxation of dividend as a Norwegian Shareholder, as described above.

Foreign Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities) ("**Foreign Corporate Shareholders**") resident within the EEA are exempt from Norwegian withholding tax pursuant to the Norwegian participation exemption provided that the Foreign Corporate Shareholder is genuinely established and carries out genuine economic activities within the EEA.

Dividends paid to Foreign Shareholders that are individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders) ("**Foreign Individual Shareholders**") are as the main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, see Section 8.1.1 "*Taxation of dividends*". 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 on the dividends than the withholding tax rate of 25% less the tax-free allowance.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Foreign Corporate and Individual Shareholders must document their

entitlement to a reduced withholding tax rate by (i) obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state and (ii) providing a confirmation from the shareholder that the shareholder is the beneficial owner of the dividend. In addition, Foreign Corporate Shareholders must also present either (i) an approved withholding tax refund application or (ii) an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate or a withholding tax exemption. Such documentation must be provided to either the nominee or the account operator (VPS). Dividends paid to Foreign Shareholders in respect of nominee registered shares are not eligible for reduced treaty withholding tax rate at the time of payment unless the nominee, by agreeing to provide certain information regarding beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Norwegian tax authorities. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Foreign Individual Shareholders and Foreign Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Foreign Corporate Shareholders that have suffered withholding tax although qualifying for the Norwegian participation exemption.

Foreign Shareholders should consult their own advisors regarding the availability of treaty benefits in respect of dividend payments.

8.2.2 Taxation of capital gains

Gains from realization of Shares by Foreign Shareholders will not be subject to tax in Norway unless the Foreign Shareholders are holding the Shares in connection with business activities carried out in or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

8.2.3 Net wealth tax

Foreign Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

8.2.4 Transfer taxes etc. VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

9 SELLING AND TRANSFER RESTRICTIONS

9.1 General

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 admitted to trading on Euronext Growth.

The Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Information Document does not constitute an offer and this Information Document is for information only and should not be copied or redistributed. If an investor receives a copy of this Information Document, the investor may not treat this Information Document as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, 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 Information Document, 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.

9.2 Selling restrictions

9.2.1 *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 except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Euronext Growth Advisors have represented and agreed that they have not offered or sold, and will not offer or sell, any of the Shares as part of their allocation at any time other than (i) within the United States to QIBs in accordance with Rule 144A or (ii) outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Shares will be restricted and each purchaser of the Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 9.3.1 "*United States*".

9.2.2 *United Kingdom*

No Shares have been offered or will be offered pursuant to an offering to the public in the United Kingdom, except that the Shares may be offered to the public in the United Kingdom at any time in reliance on the following exemptions under the UK Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Euronext Growth Advisors for any such offer; or
- c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 ("**FSMA**").

Provided that no such offer of the Shares shall result in a requirement for the Company or the Euronext Growth Advisors to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Euronext Growth Advisors have represented, warranted and agreed that:

- a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA in connection with the issue or sale of any Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and that
- b) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom.

9.2.3 *European Economic Area*

In no Relevant Member State of the EEA have Shares been offered and in no Relevant Member State other than Norway will Shares be offered to the public pursuant to an offering, except that Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- a) to persons who are "qualified investors" within the meaning of Article 21 in the EU Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Euronext Growth Advisors for any such offer; or
- c) in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation;

provided that no such offer of Shares shall result in a requirement for the Company or Euronext Growth Advisors to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

This EEA selling restriction is in addition to any other selling restrictions set out in this Information Document.

9.2.4 *Other jurisdictions*

The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Switzerland, Japan, Canada, Australia or any other jurisdiction in which it would not be permissible to offer the Shares. In jurisdictions outside the United States and the EEA where an offering would be permissible, the Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

9.3 **Transfer restrictions**

9.3.1 *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 except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Information Document and such other information as it deems necessary to make an informed investment decision and that:

- i) The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- ii) The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities, regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- iii) The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- iv) The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- v) The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Information Document.
- vi) The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- vii) The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- viii) If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- ix) The purchaser acknowledges that the Company, the Euronext Growth Advisors and their respective advisors will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Information Document and such other information as it deems necessary to make an informed investment decision and that:

- i) The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- ii) The purchaser acknowledges that 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 of the United States and are subject to significant restrictions to transfer.
- iii) The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- iv) The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- v) If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in

accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- vi) The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- vii) The purchaser will not deposit or cause to be deposited such Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- viii) The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- ix) The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- x) If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- xi) The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Euronext Growth Advisors and their respective advisors will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

9.3.2 *European Economic Area*

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Information Document will be deemed to have represented, warranted and agreed to and with the Euronext Growth Advisors and the Company that:

- a) it is a qualified investor within the meaning of Article 2 (e) of the EU Prospectus Regulation; and
- b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Euronext Growth Advisors has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

10 ADDITIONAL INFORMATION

10.1 Admission to Trading on Euronext Growth

The Company submitted its application for Admission to Trading to Oslo Børs on 12 January 2022. The first day of Admission to Trading will be 31 January 2022.

10.2 Auditor

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

BDO AS has been the Company's auditor since its incorporation in August 2021. BDO AS' audit report to the Parent Financial Statements is included in [Appendix D](#). BDO AS' report on the unaudited Pro Forma Financial Statements is included in [Appendix E](#).

BDO AS has not audited, reviewed or produced any report on any other information provided in this Information Document.

10.3 Advisors

The following advisors have been engaged in connection with the Private Placement and the Admission:

Joint Global Coordinators and Euronext Growth Advisors:

Fearnley Securities AS
Pareto Securities AS

Dronning Eufemias gate 8, 0191 Oslo, Norway
Dronning Mauds gate 3, 0250 Oslo, Norway

Joint Bookrunners:

Clarksons Platou Securities AS
Nordea Bank Abp, filial i Norge
Skandinaviska Enskilda Banken AB (publ), Oslo Branch
Swedbank AB (publ), filial i Norge

Munkedamsveien 62C, 0270 Oslo, Norway
Essendrops gate 7, 0368 Oslo, Norway
Filipstad brygge 1, 0252 Oslo, Norway
Ruseløkkveien 36, 0251 Oslo, Norway

Legal advisor to the Company:

Wikborg Rein Advokatfirma AS

Dronning Mauds gate 11, 0250 Oslo, Norway

Communication advisor to the Company:

Crux Advisers AS

Drammensveien 133, 0277 Oslo, Norway

Legal advisors to the Managers:

Advokatfirmaet Thommessen AS

Haakon VII's gate 10, 0161 Oslo, Norway

Financial due diligence advisor to the Managers:

PricewaterhouseCoopers AS

Dronning Eufemias gate 71, 0194 OSLO, Norway

11 DEFINITIONS AND GLOSSARY OF TERMS

Additional Shares	Has the meaning ascribed to such term in Section 7.3.1
Admission or Admission to Trading	The admission to trading of the Shares on Euronext Growth, to take place on or around 31 January 2022
AL Maritime Holding	AL Maritime Holding Pte. Ltd.
APMs	Alternative financial performance measures
Articles of Association	The articles of association of the Company as of 17 January 2022
Board of Directors or Board Members	The board of directors of the Company
Borrowing Option	Has the meaning ascribed to such term in Section 7.3.1
BWM Convention	The International Convention for the Control and Management of Ships' Ballast Water and Sediments
CEO	Chief executive officer
CFO	Chief financial officer
CII	Carbon intensity indicator
Company or Gram Car Carriers	Gram Car Carriers ASA, with registration number 827 669 962
EEA	European Economic Area
EEDI	Energy efficiency design index
EEXI	Energy efficiency existing ship index
ESMA	The European Securities and Markets Authority
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, and as implemented in Norway
Euronext Growth	A multilateral trading facility operated by Oslo Børs ASA as one of several Euronext Growth Markets under Euronext
Euronext Growth Advisors or Joint Global Coordinators	Fearnley Securities AS and Pareto Securities AS
Euronext Growth Rule Book	The Euronext Rule Book I and the Euronext Rule Book II for Euronext Growth, collectively
Existing Leasing Debt	Has the meaning ascribed to such term in Section 6.6
Foreign Corporate Shareholders	Foreign Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities)
Foreign Individual Shareholders	Foreign Shareholders that are individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders)
Foreign Shareholders	Shareholders who are not resident in Norway for tax purposes
Former Group	GCC Singapore and its former consolidated subsidiaries
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, enclosed hereto as Appendices B and C
FSMA	The Financial Services and Markets Act 2000
F. Laeisz or Share Lender	F. Laeisz GmbH, with registration number HRB 52064
GCC Leasing 1	Gram Car Carriers Leasing 1 AS, with registration number 927 458 926
GCC Leasing 2	Gram Car Carriers Leasing 2 AS, with registration number 927 459 159
GCC Leasing 3	Gram Car Carriers Leasing 3 AS, with registration number 927 459 213
GCC Management	Gram Car Carriers Management AS, with registration number 989 169 122
GCC Services	Gram Car Carriers Services Pte. Ltd (Singapore), with registration number 202133730R
GCC Shipowning Norway	Gram Car Carriers Shipowning AS, with registration number 927 459 051
GCC Singapore	Gram Car Carriers Holdings Pte. Ltd., with registration number 200808574D
Glenrines	Glenrines Farms Limited
Gram Transfers	Has the meaning ascribed to such term in Section 4.2.1
Greenshoe Option	Has the meaning ascribed to such term in Section 7.3.1
Group	The Company and its subsidiaries after completion of the Transfers (see Section 4.2)
HM Gram	HM Gram Enterprises Limited and HM Gram Investments III Limited, collectively
IAS 34	International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU
IFRS	International Financial Reporting Standards
IMO	The International Maritime Organization
Information Document	This information document dated 28 January 2022
IP	Intellectual property
Joint Bookrunners	Clarksons Platou Securities AS, Nordea Bank Abp, filial i Norge, Skandinaviska Enskilda Banken AB (publ), Oslo Branch and Swedbank AB (publ), filial i Norge
Laeisz Transfers	Has the meaning ascribed to such term in Section 4.2.2
LCTCs	Large car and truck carriers
Leased Vessels	The vessels that are currently controlled by the Group through leasing agreements as set out in Section 4.5
LIBOR	London Interbank Offered Rate
Managed Vessels	The vessels that are currently owned by third parties and commercially managed by the Group as set out in Section 4.5
Management	The Company's executive management

Managers	The Joint Global Coordinators and the Joint Bookrunners, collectively
MAR	The Market Abuse Regulation (EU) No. 596/2014
MARPOL	International Convention for the Prevention of Pollution from Ships
New Leasing Debt	Has the meaning ascribed to such term in Section 6.6
NGAAP	Norwegian generally accepted accounting principles
NOK	Norwegian Kroner, the lawful currency of Norway
Norwegian Code of Practice	The Norwegian Code of Practice for Corporate Governance last revised on 14 October 2021
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes
Norwegian Individual Shareholders	Norwegian Shareholders other than Norwegian Corporate Shareholders
Norwegian Public Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45, as amended (Nw.: <i>aksjeloven</i>)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (Nw.: <i>verdipapirhandelloven</i>)
Norwegian Securities Trading Regulation	The Norwegian Securities Trading Regulations of 29 June 2007 no. 876, as amended (Nw.: <i>verdipapirforskriften</i>)
Norwegian Shareholders	Shareholders who are resident in Norway for tax purposes
Offer Price	The price per Share in the Private Placement of NOK 53
Owned Vessels	The vessels that are currently owned by the Company as set out in Section 4.5
Parent Financial Statements	The audited financial statements of the Company from its incorporation on 3 August 2021 to 30 September 2021, enclosed hereto as Appendix D
PCCs	Pure car carriers
PCTCs	Pure car and truck carriers
Private Placement	The private placement of 18,909,540 new Shares completed on 14 January 2022 as further detailed in Section 7.3 above
Pro Forma Events	Means the pro forma adjustments set out in Section 6.3.4
Pro Forma Financial Statements	The Company's unaudited consolidated condensed pro forma financial statements prepared for the purpose of the Transfers (see Sections 4.2 and 3.2.1), included in Section 6.3
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
Relevant Member State	Each Member State of the European Economic Area which has implemented the EU Prospectus Regulation
Share(s)	The shares of the Company, consisting as of the date of this Information Document of 28,721,804 ordinary shares, each with a par value of NOK 2.9147180010334
Singapore FRS	Financial reporting standards in Singapore
Singapore GAAP	Accounting principles generally accepted in Singapore
SOFR	Secured overnight financing rate
SOLAS	International Convention for the Safety of Life at Sea
Stabilization Manager	Pareto Securities AS
Stabilization Period	Has the meaning ascribed to such term in Section 7.3.2
STCW	International Convention on Standards of Training, Certification and Watch keeping for Seafarers
Transfers	The Gram Transfers and the Laeisz Transfers, described in section 4.2
United States or U.S	The United States of America
USD 222 million Credit Facility	Has the meaning ascribed to such term in Section 6.6
VPS Registrar	SpareBank 1 SR-Bank ASA
VPS	The Norwegian Central Securities Depository (Nw.: <i>Verdipapirsentralen</i> ASA)



**GRAM CAR
CARRIERS**

Gram Car Carriers ASA

Bryggegate 9
0250 Oslo
Norway

<https://gramcar.com/>

Managers

Euronext Growth Advisors and Joint Global Coordinators

Fearnley Securities AS

Dronning Eufemias gate 8
0190 Oslo
Norway

<https://fearnleysecurities.com/>

Pareto Securities AS

Dronning Mauds gate 3
0250 Oslo
Norway

<https://www.paretosec.no/>

Joint Bookrunners

Clarksons Platou Securities AS

Munkedamsveien 62C
0270 Oslo
Norway

<https://securities.clarksons.com/>

Nordea Bank Abp, filial i Norge

Essendrops gate 7
0368 Oslo
Norway

<https://www.nordea.no>

Skandinaviska Enskilda Banken AB (publ), Oslo branch

Filipstad brygge 1
0252 Oslo
Norway

<https://seb.no/>

Swedbank AB (publ), filial i Norge

Ruseløkkveien 36
0251 Oslo
Norway

<https://www.swedbank.no/>

Legal advisor to the Company

Wikborg Rein Advokatfirma AS

Dronning Mauds gate 11
0250 Oslo
Norway

<https://www.wr.no/>

Legal advisor to the Managers

Advokatfirmaet Thommessen AS

Haakon VIIs gate 10
0161 Oslo
Norway

<https://www.thommessen.no/>

VEDTEKTER FOR GRAM CAR CARRIERS ASA

Vedtatt 17. januar 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 skipseieende selskaper og tilhørende virksomhet.

§ 4 Aksjekapital

Selskapets aksjekapital er NOK 83,715,959.1409531 fordelt på 28.721.804 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:

- Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.

ARTICLES OF ASSOCIATION OF GRAM CAR CARRIERS ASA

As of 17 January 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 NOK 83,715,959.1409531, divided into 28,721,804 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.

- Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

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.

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.

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.

§ 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.

- 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 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.

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.

§ 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.

**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

	<u>PAGE</u>
Directors' statement	1 - 2
Independent auditor's report	3 - 6
Statement of financial position	7
Statement of profit or loss and other comprehensive income	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to financial statements	11 - 25

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	
	At beginning of year	At end of year	At beginning of year	At end of year
Gram Car Carriers Holdings Pte Ltd (Ordinary shares)				
Lui Nai Hui	-	-	-	171,513

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT

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.

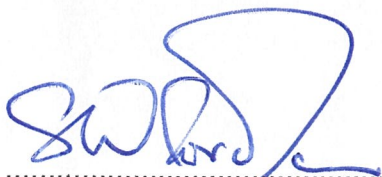
(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.

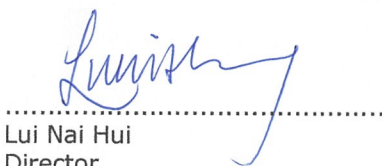
5 AUDITORS

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

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.

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.



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.

A handwritten signature in black ink, appearing to read "Deloitte & Touche" with a stylized flourish at the end.

Public Accountants and
Chartered Accountants
Singapore

22 September 2020

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

STATEMENT OF FINANCIAL POSITION
31 December 2019

	Note	2019 US\$
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	6	1,694,170
Other receivables	7	26,807
Total current assets		<u>1,720,977</u>
Non-current asset		
Long term receivables	7	<u>1,560,000</u>
Total non-current asset		<u>1,560,000</u>
Total assets		<u>3,280,977</u>
<u>LIABILITIES AND NET CAPITAL DEFICIENCY</u>		
Current liability		
Other payables	8	<u>55,238</u>
Total current liability		<u>55,238</u>
Non-current liability		
Long term payables	8	<u>4,335,000</u>
Total non-current liability		<u>4,335,000</u>
Total liabilities		<u>4,390,238</u>
Capital and accumulated losses		
Share capital	9	200
Accumulated losses		<u>(1,109,461)</u>
Total equity		<u>(1,109,261)</u>
Total liabilities and equity		<u>3,280,977</u>

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**

	<u>Note</u>	15 March 2019 (date of incorporation) to 31 December 2019 <u>US\$</u>
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		<u>(260)</u>
Total operating expenses		<u>(1,157,418)</u>
Loss before income tax		(1,109,461)
Income tax expense	11	<u>-</u>
Loss for the year, representing total comprehensive loss for the year		<u>(1,109,461)</u>

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

	<u>Note</u>	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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS 31 December 2019

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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
31 December 2019

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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS 31 December 2019

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).

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS 31 December 2019

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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS 31 December 2019

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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
31 December 2019

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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS 31 December 2019

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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS 31 December 2019

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:

	<u>2019</u> US\$
<u>Financial assets</u>	
Financial assets at amortised cost	<u>3,280,977</u>
<u>Financial liabilities</u>	
Financial liabilities at amortised cost	<u>4,390,238</u>

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
31 December 2019

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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
31 December 2019

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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
31 December 2019

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 US\$	Adjustment	Total
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 US\$	Adjustment	Total
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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
31 December 2019

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 <hr/> US\$
Interest income	26,807
Interest expenses	<hr/> (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

	<hr/> 2019 US\$
Cash at bank	<hr/> <hr/> 1,694,170

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.**NOTES TO FINANCIAL STATEMENTS**
31 December 2019**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	<u>(1,100,000)</u>
	1,586,807
Less: Current portion	<u>(26,807)</u>
Non-current portion	<u>1,560,000</u>

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	<u>4,335,000</u>
	4,390,238
Less: Current portion	<u>(55,238)</u>
Non-current portion	<u>4,335,000</u>

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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.**NOTES TO FINANCIAL STATEMENTS**
31 December 2019**9 SHARE CAPITAL**

	2019 Number of ordinary shares	2019 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.

GLOBAL CAR CARRIERS HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

31 December 2019

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.

**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

	<u>PAGE</u>
Directors' statement	1 - 3
Independent auditor's report	4 - 7
Statements of financial position	8
Consolidated statement of profit or loss and other comprehensive income	9 - 10
Statements of changes in equity	11 - 12
Consolidated statement of cash flows	13
Notes to the financial statements	14 - 63

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

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	
	At beginning of year	At end of year	At beginning of year	At end of year
Gram Car Carriers Holdings Pte. Ltd. (Ordinary shares)				
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

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GRAM CAR CARRIERS HOLDINGS PTE. LTD.**

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.

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 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.

**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)

- (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

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION As at 31 December 2020

	Note	Group		Company	
		31 December	31 December	31 December	31 December
		2020	2019	2020	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 US\$	2019 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			
<i>Items that may be reclassified subsequently to profit or loss</i>			
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)
	<u>(53,008,837)</u>	<u>(49,585,520)</u>
Total comprehensive loss attributable to:		
Owners of the Company	(49,916,742)	(46,740,283)
Non-controlling interests	(3,199,194)	(2,683,725)
	<u>(53,115,936)</u>	<u>(49,424,008)</u>

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

<u>Group</u>	<u>Note</u>	Share capital US\$	Redeemable preference shares US\$	Hedging reserve US\$	Translation reserve US\$	Accumulated losses US\$	Attributable to equity holders of the Company US\$	Non- controlling interests US\$	Total equity 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
<u>Transactions with owners, recognised directly in equity</u>									
Non-controlling interest arising from additional investment in subsidiaries	7	-	-	-	-	-	-	50	50
<u>Total comprehensive (loss)/income for the year</u>									
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
<u>Total comprehensive loss for the year</u>									
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

<u>Company</u>	<u>Note</u>	Share capital US\$	Redeemable preference shares US\$	Hedging reserve US\$	Accumulated losses US\$	Total equity US\$
As at 1 January 2019		230,791,059	1,042,027	(193,675)	(80,609,375)	151,030,036
<u>Total comprehensive (loss)/income for the year</u>						
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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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*.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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).

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(l) Employee Compensation

Defined contribution plans

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.

Employee leave entitlement

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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 it 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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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 recognised 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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

Depreciation, useful lives and residual values of vessels

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.

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 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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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
	<u>490,901,696</u>	<u>523,643,013</u>

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		
<u>Decrease in VIU</u>		
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)
	<u>(45,900,000)</u>	<u>(8,700,000)</u>

31 December 2019

<u>Decrease in VIU</u>		
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)
	<u>(51,800,000)</u>	<u>(10,400,000)</u>

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

31 December 2020	Group Trade receivables – days past due					Total US\$
	Not past due	30-60 days	60-90 days	90-120 days	>120 days	
	US\$	US\$	US\$	US\$	US\$	
Estimated total gross carrying amount at default	353,127	-	-	-	-	353,127
Lifetime ECL	-	-	-	-	-	-
Total	353,127	-	-	-	-	353,127

31 December 2019	Group Trade receivables – days past due					Total US\$
	Not past due	30-60 days	60-90 days	90-120 days	>120 days	
	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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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:

	<u>Group</u> <u>31 December</u> <u>2020</u> <u>US\$</u>
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	<u>(45,274,221)</u>
Net liabilities of disposal group	<u><u>(2,605,221)</u></u>

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020

7 INVESTMENTS IN SUBSIDIARIES

	Company	
	31 December 2020	31 December 2019
	US\$	US\$
<i>Equity investments at cost:</i>		
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 %	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

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2020****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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

9 PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	<u>PCTC vessels</u>	<u>Docking</u>	<u>Renovations</u>	<u>Office equipment</u>	<u>Total</u>
	US\$	US\$	US\$	US\$	US\$
<u>Cost</u>					
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
<u>Accumulated depreciation</u>					
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
<u>Accumulated impairment</u>					
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
<u>Carrying amount</u>					
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

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

<u>Company</u>	<u>PCTC vessels</u>	<u>Docking</u>	<u>Renovations</u>	<u>Total</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
<u>Cost</u>				
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
<u>Accumulated depreciation</u>				
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
<u>Accumulated impairment</u>				
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	-	-	-	-
<u>Carrying amount</u>				
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).

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020

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).

<u>Group</u>	<u>Vessels</u>	<u>Office leases</u>	<u>Total</u>
	US\$	US\$	US\$
<u>Cost</u>			
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
<u>Accumulated depreciation</u>			
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
<u>Impairment</u>			
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	-	-	-
<u>Carrying amount</u>			
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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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).

<u>Company</u>	<u>Vessels</u> US\$	<u>Office lease</u> US\$	<u>Total</u> US\$
<u>Cost</u>			
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
<u>Accumulated depreciation</u>			
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
<u>Carrying amount</u>			
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

	<u>Group</u>	
	<u>31 December</u> <u>2020</u>	<u>31 December</u> <u>2019</u>
	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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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\$
<u>Bank borrowings (secured)</u>		
- Current	4,413,209	8,188,918
- Non-current	327,969,584	321,053,108
	332,382,793	329,242,026

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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:

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.

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;

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020

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
	<u>439,689,205</u>	<u>(431,840)</u>	<u>13,760,946</u>	<u>(3,968,540)</u>	<u>(44,287,884)</u>	<u>404,761,887</u>

	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
	<u>432,883,916</u>	<u>(29,921,511)</u>	<u>28,283,459</u>	<u>4,738,194</u>	<u>3,705,147</u>	<u>439,689,205</u>

- ⁽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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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).

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15 DERIVATIVE FINANCIAL INSTRUMENTS

<u>Group</u>	Notional contract amount US\$	Fair value	
		Assets US\$	Liabilities 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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18 SHARE CAPITAL

	Group and Company			
	2020		2019	
	Number of ordinary shares	US\$	Number of ordinary shares	US\$
<u>Issued and fully paid:</u>				
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\$
<u>Issued and partly paid:</u>				
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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2020****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

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2020

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
	<u>15,545,630</u>	<u>28,954,292</u>

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
	<u>2,802,878</u>	<u>3,907,675</u>

(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.

Equity-settled share option scheme

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2020****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	<u>(81,468)</u>	<u>189,763</u>

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	<u>(53,090,305)</u>	<u>(49,395,757)</u>
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	<u>(81,468)</u>	<u>189,763</u>

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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) Market risk

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

28 FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Liquidity risk (cont'd)

<u>Group</u>	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)
Total	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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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	<u>538,018,115</u>	<u>576,808,988</u>
Gearing ratio	<u>84%</u>	<u>76%</u>

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 US\$	Level 2 US\$	Level 3 US\$	Total 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.

GRAM CAR CARRIERS HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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.



Gram Car Carriers ASA

Financial Statements

for the period 3 August 2021 (date of incorporation) – 30 September 2021

Income Statement

In USD	Note	3 Aug (date of incorporation) – 30 Sep 2021
Operating revenues		-
Administrative expenses		(119)
EBITDA		(119)
Depreciation		-
Impairment		-
EBIT		(119)
Financial income		2,446
Financial expenses		-
Profit before tax (EBT)		2,327
Tax expense		-
Profit for the period		2,327

Statement of financial position

In USD	Note	30 Sep 2021
Assets		115,784
Non-current assets		13,839
Investments in subsidiaries	7	13,839
Current assets		101,945
Cash and cash equivalents	4	101,945
Equity and liabilities		115,784
Equity	6	115,207
Share capital		112,881
Retained earnings		2,327
Current liabilities		577
Trade and other payables	5	577

Oslo, 12 October 2021

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

DocuSigned by:

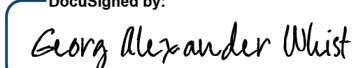
 75B67A23008B40F...
 Ivar Hansson Myklebust
 Chairman

DocuSigned by:

 57F5F0B7F4E7402...
 Jeanette Lauritzen
 Director

DocuSigned by:

 4589E35749B3474...
 Nils Kristoffer Gram
 Director

DocuSigned by:

 021C8FD4F7AF4A1...
 Georg Alexander Whist
 Chief Executive Officer

Statement of changes in equity

In USD	Note	3 Aug (date of incorporation) – 30 Sep 2021
Equity at beginning of period		-
Issuance of shares		112,881
Profit/ (loss) for the period		2,327
Equity at end of period		115,207

Statement of cash flow

In USD	Note	3 Aug (date of incorporation) – 30 Sep 2021
Profit/ (loss) for the period		2,327
Net change in current liabilities		577
Cash flow from operating activities		2,903
Investment in subsidiaries		(13,839)
Cash flow from investing activities		(13,839)
Proceeds from share issuance		112,881
Cash flow from financing activities		112,881
Net change in cash and cash equivalents		101,945
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period		101,945

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. The principal activities of the Company and its subsidiaries is to invest in and to operate maritime assets in the pure car and truck carrier shipping ('PCTC') segment.

The Company has no employees as at 30 September 2021.

Note 2 – Basis for preparation

The financial statements are prepared in accordance with Norwegian Standards (NGAAP) for public limited liability companies.

Note 3 – Significant accounting policies

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Current assets are assets that are expected to be realized in the Company's normal circle, held primarily for the purpose of trading and that are expected to be realized within twelve months after the reporting period. Current liabilities are liabilities that are expected to be settled within the Company's normal operating cycle. Other assets are classified as non-current assets and other liabilities are classified as non-current liabilities.

Accounts receivables are recognized at fair value after provisions for bad debts.

Long-term investments in shares in subsidiaries are recognized at original cost, but are reduced to fair value if the decrease in value is not temporary.

Revenue and expenses from operations are booked in the same period as they occur.

The financial statements are presented in US Dollar (USD), which is the functional currency of the Company. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction.

Differences from currency translations are classified as financial income.

Note 4 – Cash and cash equivalents

Details of the Company's cash and cash equivalents at 30 September 2021 are as follows:

In USD	30 Sep 2021	3 Aug 2021
Bank deposits denominated in NOK	101,945	-

Cash and cash equivalents are unrestricted.

Note 5 – Trade and other payables

Trade and other payables consist of a non-trade payable of USD 577 due to the Company's sole shareholder, Gram Car Carriers Holdings Pte. Ltd.

Note 6 – Equity

In USD	Share capital	Retained earnings	Total
Total equity 3 Aug 2021	-	-	-
Shares issued	112,881	-	112,881
Profit for the period 3 Aug 2021 – 30 Sep 2021	-	2,327	2,327
Total equity 30 Sep 2021	112,881	2,327	115,207

The share capital of the Company consists of 1,000,000 shares with nominal value per share of NOK 1.00. All issued shares are of equal rights and are fully paid up.

The Company is a wholly owned subsidiary of Gram Car Carriers Holdings Pte. Ltd., a limited liability company domiciled and incorporated in Singapore.

Note 7 – Investments in subsidiaries

Details of the Company's subsidiaries at 30 September 2021 are as follows:

Name of company	Principal Activities	Place of business/ incorporation	Ownership 30 Sep 2021	Ownership 3 Aug 2021
Gram Car Carriers Shipowning AS	Ownership/ operation of PCTC vessels	Norway	100%	-
Gram Car Carriers Leasing 1 AS	Ownership/ operation of PCTC vessels	Norway	100%	-
Gram Car Carriers Leasing 2 AS	Ownership/ operation of PCTC vessels	Norway	100%	-
Gram Car Carriers Leasing 3 AS	Ownership/ operation of PCTC vessels	Norway	100%	-

Note 8 – Financial risk management*Foreign exchange*

The risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Company has exposure in NOK as part of administrative and operating expenses and a portion of cash and cash equivalents and trade payables are denominated in NOK. The Company do not have financial instruments in place to mitigate this risk.

Credit risk

Credit risk relates to deposits with external banks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due and is managed through maintaining sufficient cash. Development in the Company's is continuously monitored through a liquidity planning tool which includes weekly cash reporting and monthly cash flow forecasts.

Gram Car Carriers ASA

Bryggegate 9
0250 Oslo
Norway

Org. no.: 827 669 962

www.gramcar.com

Independent Auditor's Report

To the General Meeting in Gram Car Carriers ASA

Report on the Audit of the Financial Statements

Opinion

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

The financial statements comprise:

- The balance sheet as at 30 September 2021
- The income statement for the period from 3 August (date of incorporation) to 30 September 2021
- Statement of cash flows for the period that ended 30 September 2021
- Statement of changes in equity
- Notes to the financial statements, including a summary of significant accounting policies

In our opinion:

The accompanying financial statements give a true and fair view of the financial position of the Company as at 30 September 2021, and its financial performance and its cash flows for the period then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 as required by laws and regulations, 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 and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use 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>

Ålesund, 15 October 2021

BDO AS



John Arne Fiskerstrand
State Authorised Public Accountant

To the Board of Directors of Gram Car Carriers ASA

Independent Assurance Report on the Pro Forma Financial Information

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Gram Car Carriers ASA (the “Company”). The pro forma financial information consists of the unaudited pro forma income statement for the nine month period ended 30 September 2021, the unaudited pro forma statement of financial position as at 30 September 2021, and related notes as set out in Section 6.3 in the Unaudited Pro Forma Financial Information, which is a part of the Company’s Information Document. The applicable criteria on the basis of which the Board of Directors and Management of the Company has compiled the pro forma financial information are specified in Commission Delegated Regulation (EU) 2019/980 as incorporated in the Norwegian Securities Trading Act and the Securities Regulations § 7-1 and described in section 6.3 in the Unaudited Pro Forma Financial Information (the “applicable criteria”).

The pro forma financial information has been compiled by the Board of Directors and Management of the Company to illustrate the impact of the transfers set out in section 6.3 in the Unaudited Pro Forma Financial Statements on the Company consolidated financial performance for the nine month period ended 30 September 2021 as if the transfers had taken place at 1 January 2021. As part of this process, information about the Company consolidated financial position and financial performance for the nine month period ended 30 September 2021 has been extracted by the Board of Directors and Management of the Company unaudited interim financial statements for the nine month period ended 30 September 2021.

The Board of Directors’ and Management’s Responsibility for the Pro Forma Financial Information

The Board of Directors and Management of the Company are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express an opinion, as required by Commission Delegated Regulation (EU) 2019/980 about whether the pro forma financial information has been compiled by the Board of Directors and Management of the Company on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Company has compiled the pro forma financial information on the basis of accounting and relevant accounting policies described in the Unaudited Pro Forma Financial Information section 6.3. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in section 6.3 of the Unaudited Pro Forma Financial Information, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with Management of the Company.

The aforementioned opinion does not require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of the acquired entity to the accounting policies of the Company, or the assumptions summarized in section 6.3 of the Unaudited Pro Forma Financial Information. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a information document is solely to illustrate the impact of the Transaction on unadjusted financial information of the Company as if the Transaction had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or performance. Accordingly, we do not provide any assurance that the actual outcome of the Transaction for the financial performance periods ended 30 September 2021 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors and Management of the Company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.
- The unaudited pro forma financial information has been compiled on a basis consistent with the accounting policies of the Company.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated in Section 6.3 in the Unaudited Pro Forma Financial Information.
- b) that basis is consistent with the accounting policies of the Company.

Ålesund, 25. January 2022

BDO AS

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

PENNEO

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

2022-01-25 12:45:40 UTC



Penneo Dokumentnøkkel: UEZN3-7MDPD-400D3-W3AV6-7WCNY-ENAEK

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - **<https://penneo.com/validate>**