



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 910 411 616  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: NORWEGIAN CAR CARRIERS AS  
Forretningsadresse: Drammensveien 167  
0277 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: DELOITTE AS  
Dato for fastsettelse av årsregnskapet: 04.05.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 03.07.2024



### Resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating income		1 428 223	2 462 749
Other operating income		156 450	
<b>Sum inntekter</b>		<b>1 584 672</b>	<b>2 462 749</b>
<b>Kostnader</b>			
Salaries and other personnel expenses	2	1 379 029	2 979 762
Depreciation	3	14 250	90 445
Other operating expenses		455 418	403 347
<b>Sum kostnader</b>		<b>1 848 697</b>	<b>3 473 554</b>
<b>Driftsresultat</b>		<b>-264 024</b>	<b>-1 010 804</b>
<b>Finansinntekter og finanskostnader</b>			
Income from group companies	4	525 173	878 916
Renteinntekt fra foretak i samme konsern	4	967 442	863 526
Annen renteinntekt		6 735	99
Other financial income		2	1 140 704
Net gain/(loss) on foreign exchange		129 025	10 211
<b>Sum finansinntekter</b>		<b>1 628 377</b>	<b>2 893 456</b>
Reversal of previously recognised impairment	5	-45 846 853	
Rentekostnad til foretak i samme konsern			54 999
Other financial expenses		787	2 201
<b>Sum finanskostnader</b>		<b>-45 846 066</b>	<b>57 200</b>
<b>Netto finans</b>		<b>47 474 443</b>	<b>2 836 256</b>
<b>Ordinært resultat før skattekostnad</b>		<b>47 210 419</b>	<b>1 825 451</b>
Taxes	9		
<b>Ordinært resultat etter skattekostnad</b>		<b>47 210 419</b>	<b>1 825 451</b>
<b>Årsresultat</b>	8	<b>47 210 419</b>	<b>1 825 451</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>47 210 419</b>	<b>1 825 451</b>



## Resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Totalresultat</b>		<b>47 210 419</b>	<b>1 825 451</b>
<b>Overføringer og disponeringer</b>			
Transferred from other equity		47 210 419	1 825 451
<b>Sum overføringer og disponeringer</b>		<b>47 210 419</b>	<b>1 825 451</b>



### Balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	9		
<b>Varige driftsmidler</b>			
Other assets		23 155	27 493
<b>Sum varige driftsmidler</b>		<b>23 155</b>	<b>27 493</b>
<b>Finansielle anleggsmidler</b>			
Investering i annet foretak i samme konsern	5	43 758 271	80 916 689
Lån til foretak i samme konsern	4	8 040 813	8 040 813
Investments in shares		183	183
<b>Sum finansielle anleggsmidler</b>		<b>51 799 267</b>	<b>88 957 685</b>
<b>Sum anleggsmidler</b>		<b>51 822 423</b>	<b>88 985 178</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivables	6	35 962	
Other receivables	6	70 970	306 861
Konsernfordringer	4	32 608 204	13 824 504
<b>Sum fordringer</b>		<b>32 715 136</b>	<b>14 131 365</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	7	755 035	1 282 834
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>755 035</b>	<b>1 282 834</b>
<b>Sum omløpsmidler</b>		<b>33 470 171</b>	<b>15 414 200</b>
<b>SUM EIENDELER</b>		<b>85 292 594</b>	<b>104 399 378</b>

### BALANSE - EGENKAPITAL OG GJELD



### Balanse

Beløp i: USD	Note	2022	2021
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	8	45 860 460	135 005 907
Overkurs	8	18 000 000	39 178 748
Annen innskutt egenkapital	8	1 518 231	27 339 483
<b>Sum innskutt egenkapital</b>		<b>65 378 691</b>	<b>201 524 138</b>
<b>Opptjent egenkapital</b>			
Other equity	8	1 026 558	-99 204 289
<b>Sum opptjent egenkapital</b>		<b>1 026 558</b>	<b>-99 204 289</b>
<b>Sum egenkapital</b>		<b>66 405 249</b>	<b>102 319 849</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser		141 184	230 865
Utsatt skatt	9		
<b>Sum avsetninger for forpliktelser</b>		<b>141 184</b>	<b>230 865</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>141 184</b>	<b>230 865</b>
<b>Kortsiktig gjeld</b>			
Tax payable	9		
Public duties payable		432 237	312 300
Utbytte	4	18 000 000	
Other current liabilities		313 923	1 536 364
<b>Sum kortsiktig gjeld</b>		<b>18 746 160</b>	<b>1 848 664</b>
<b>Sum gjeld</b>		<b>18 887 344</b>	<b>2 079 529</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>85 292 594</b>	<b>104 399 378</b>



### Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Charter revenues	3, 4	34 625 870	26 978 002
Other operating revenue	3	107 517	96 038
Gain on sale of vessel	9	31 859 291	
<b>Sum inntekter</b>		<b>66 592 678</b>	<b>27 074 040</b>
<b>Kostnader</b>			
Salary		1 379 029	2 979 762
Ordinary depreciation	9	7 331 417	10 098 208
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9	-5 511 417	-739 728
Annen driftskostnad		5 658 652	9 006 739
<b>Sum kostnader</b>		<b>8 857 681</b>	<b>21 344 981</b>
<b>Driftsresultat</b>		<b>57 734 997</b>	<b>5 729 059</b>
<b>Finansinntekter og finanskostnader</b>			
Other financial income	6	1 512 527	1 144 177
Unrealised gain/(loss) on financial instruments	6, 11	2 485 392	1 685 571
<b>Sum finansinntekter</b>		<b>3 997 920</b>	<b>2 829 748</b>
Rentekostnad til foretak i samme konsern		-113	
Annen rentekostnad	6	5 392 560	7 322 253
Net gain/(loss) on exchange	6	-151 591	-25 835
<b>Sum finanskostnader</b>		<b>5 240 856</b>	<b>7 296 418</b>
<b>Netto finans</b>		<b>-1 242 937</b>	<b>-4 466 670</b>
<b>Ordinært resultat før skattekostnad</b>		<b>56 492 060</b>	<b>1 262 389</b>
Taxes	15		
<b>Ordinært resultat etter skattekostnad</b>		<b>56 492 060</b>	<b>1 262 389</b>
<b>Årsresultat</b>		<b>56 492 060</b>	<b>1 262 389</b>
Minoritetsinteresser		2 994 784	-114 072
<b>Årsresultat etter minoritetsinteresser</b>		<b>53 497 275</b>	<b>1 376 461</b>



## Konsernets resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Totalresultat</b>		<b>53 497 275</b>	<b>1 376 461</b>
<b>Overføringer og disponeringer</b>			
Udekket tap		53 497 275	1 376 146
<b>Sum overføringer og disponeringer</b>		<b>53 497 275</b>	<b>1 376 146</b>



### Konsernets balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	15		
<b>Varige driftsmidler</b>			
Right of use assets - lease	8, 9	106 787	756 749
Vessels	9	146 571 703	197 995 284
Other assets	9	13 243	21 930
<b>Sum varige driftsmidler</b>		<b>146 691 734</b>	<b>198 773 963</b>
<b>Finansielle anleggsmidler</b>			
Investments in associated and other companies		183	183
Long term derivatives	11	2 368 814	
<b>Sum finansielle anleggsmidler</b>		<b>2 368 997</b>	<b>183</b>
<b>Sum anleggsmidler</b>		<b>149 060 730</b>	<b>198 774 146</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivables and other current assets	12	20 736 455	2 608 507
<b>Sum fordringer</b>		<b>20 736 455</b>	<b>2 608 507</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	13	10 524 577	18 982 086
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>10 524 577</b>	<b>18 982 086</b>
<b>Sum omløpsmidler</b>		<b>31 261 031</b>	<b>21 590 593</b>
<b>SUM EIENDELER</b>		<b>180 321 762</b>	<b>220 364 739</b>

### BALANSE - EGENKAPITAL OG GJELD



### Konsernets balanse

Beløp i: USD	Note	2022	2021
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	14	45 860 460	135 005 907
Overkurs		18 000 000	39 178 748
Annen innskutt egenkapital		1 518 231	27 339 483
<b>Sum innskutt egenkapital</b>		<b>65 378 691</b>	<b>201 524 138</b>
<b>Opptjent egenkapital</b>			
Retained earnings		15 825 260	-90 729 848
Minoritetsinteresser		12 210 030	13 146 496
<b>Sum opptjent egenkapital</b>		<b>28 035 290</b>	<b>-77 583 352</b>
<b>Sum egenkapital</b>		<b>93 413 981</b>	<b>123 940 786</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	7	141 184	230 865
Utsatt skatt	15	13 358	22 148
<b>Sum avsetninger for forpliktelser</b>		<b>154 542</b>	<b>253 013</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	16	53 878 347	83 552 773
Lease obligation	16	125 101	793 306
<b>Sum annen langsiktig gjeld</b>		<b>54 003 448</b>	<b>84 346 079</b>
<b>Sum langsiktig gjeld</b>		<b>54 157 990</b>	<b>84 599 092</b>
<b>Kortsiktig gjeld</b>			
Current portion of long term debt	16	10 560 000	7 124 193
Tax payable		41 506	
Tax payable	15		
Public duties payable		391 523	379 869
Utbytte		18 000 000	
Other current liabilities	17	3 756 761	4 204 220
Derivatives	11		116 579
<b>Sum kortsiktig gjeld</b>		<b>32 749 791</b>	<b>11 824 861</b>
<b>Sum gjeld</b>		<b>86 907 780</b>	<b>96 423 953</b>



## Konsernets balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>180 321 762</b>	<b>220 364 739</b>



## Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 15.02.2011	Vår dato 01.03.2011
Telefon 22077325	Deres referanse Kurt Petter Lindgren	Vår referanse 2011/172463

Norwegian Car Carriers ASA  
Postboks 1590 Vika  
0118 OSLO

## Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Norwegian Car Carriers ASA, org. nr: 910 411 616

Det vises til deres brev av 15. februar 2011 samt påfølgende e-poster i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Norwegian Car Carriers ASA.

### Bakgrunn

Norwegian Car Carriers ASA er et internasjonalt shippingsselskap med hovedvekt på båtfrakt av biler og annet rullende gods. Selskapet opererer derfor i en bransje med sterk internasjonal karakter, og hvor engelsk benyttes ved kommunikasjon både eksternt og internt.

Selskapet er notert på Oslo Børs, men er innvilget dispensasjon fra språkkravet om norsk språk i verdipapirhandelloven § 5-13 ved rapportering til børsen. Selskapet har en viss andel utenlandske eiere, men selskapet jobber aktivt for å øke interessen fra utenlandske investorer.

Selskapet utarbeider og benytter en engelskspråklig versjon av årsregnskap og årsberetning for alle praktiske formål. Den norske versjonen utarbeides kun for å oppfylle regnskapslovens krav. Nyten anses derfor ikke å stå i forhold til kostnadene. Det søkes derfor om dispensasjon.

### Skattedirektoratets vurdering og konklusjon

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

Postadresse Postboks 9200 Grønland 0134 Oslo For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>	Besøksadresse Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org. nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
---	--	--



2011/172463 Side 2 av 2

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "*informative regnskaper for ulike grupper av regnskapsbrukere*". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

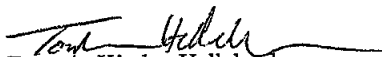
Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Selskapet virksomhet er i en internasjonal bransje og arbeidsspråket er engelsk. Alle sentrale aktører innen den bransje selskapet jobber, antas å måtte beherske og benytte engelsk språk. Selskapet er av Oslo Børs innvilget dispensasjon fra verdipapirhandelloven § 5-13 slik at all kommunikasjon med aksjonærene alt skjer på engelsk språk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering Norwegian Car Carriers ASA dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

  
Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Jan Hjelstad



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7



## Annual Report 2022



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## 2022 BOARD OF DIRECTORS' REPORT

The PCTC market strengthened further through 2022 illustrated by 12 months' time charter rates for Panamax PCTC reported at USD 35,000 per day in January 2022 and USD 110,000 per day in December 2022<sup>1</sup>. Also in 2022 car manufacturers experienced lower than forecasted production due to shortage of parts and supply chain disruptions, but as Covid restrictions were eased and removed auto manufacturing improved output, and together with increased EV volumes and growing Chinese auto exports, demand for transportation capacity continued to outperform available PCTC capacity. Notable observations were that some car manufacturers were directly active in the tonnage market to secure capacity, and significant steps were taken by Chinese operators in ordering newbuildings building up Chinese operators' capacity.

At the end of the year the orderbook counted about 100 PCTC newbuildings, mostly ordered with dual fuel LNG engines, but also including orders with ammonia ready notations and methanol alternatives reflecting the uncertainty of what will be the future fuel for deep sea shipping.

NOCC was positioned to take advantage of the market improvement in 2022.

The market is expected to remain tight through 2023 although the global macro picture is uncertain.

## BUSINESS SUMMARY

Norwegian Car Carriers AS ("NOCC" or the "Company") owns and operates a fleet of three pure car and truck carriers ("PCTC") specially designed for the transportation of cars and other rolling cargo. Commercial management is handled from the Company's office in Oslo, Norway while the technical management, including crewing of the vessels, is outsourced to third party managers.

The NOCC fleet traded without any Covid related incidents. The pandemic impacted the operation of the vessels as crew changes were challenging and vessel inspections difficult.

Three vessels were dry-docked for class maintenance during the year.

NOCC vessels were employed on profitable charters. Two vessels entered time charters with five years duration at satisfactory market rates in Q4 2021 and one option was declared by the charterer in Q3 2022 for extension of a bare boat charter at market related rate. Thereby a strong positive cash flow has been secured for a period forward.

One vessel was sold at a profitable price: Liberty Peace was acquired by its charterer. Proceeds were used to pay down debt and repayment of paid-in capital to the shareholders.

In the first half of 2022 the Company's debt facilities were re-financed at competitive terms with some changes to the bank group; Sparebanken SR Bank joined SEB and DNB in a three-bank fleet facility while NIBC continued with an existing single vessel financing.

With contribution from positive operational results as well as one vessel sale the company returned capital to its shareholders in 2022.

A Sustainable Management cost optimization process was completed first half 2022 with reduction of staff and outsourcing of accounting and technical fleet management.

---

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



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

At the end of the year the Company had restored solidity through vessel sales and long-term charters at sustainable rates, paving the way for continued cash accumulation and distributions to shareholders.

NOCC posted a consolidated net profit after tax of USD 56.5 million for 2022 compared to a net profit of USD 1.3 million for 2021.

As per 31 December 2022, NOCC had total assets of USD 180.3 million and a book equity ratio of 52% down from 56% the previous year.

## ANNUAL ACCOUNTS

The annual accounts have been prepared on a going concern basis and, in the opinion of the Board, the accounts provide an accurate representation of the Company's business. The Board confirms that the going concern assumption has been met. The Company has obtained an exemption from the Norwegian Accounting Act (§ 3-4), and will only issue its annual report in English. Numbers in parenthesis refer to the previous year (2021).

### NOCC – GROUP

#### Income statement

For the full year 2022 operating revenues was USD 34.7 million, up from USD 27.1 million the previous year. Despite reduced number of ships, charter revenues was higher due to higher rates from the start of the year.

Gain on sale of vessel was USD 31.9 million against 0.0 million the previous year.

The vessel operating expenses amounted to USD 5.0 million, down from USD 8.4 million the previous year. The reduction reflects reduction of the fleet while costs increased due to Covid related matters (e.g. crew expenses) and increased costs of materials and luboil. Administration costs for the year was USD 2.0 million, down from USD 3.4 million the previous year.

EBITDA for the year was USD 59.6 million, compared to USD 15.1 million the previous year.

Ordinary depreciation was USD 7.3 million, compared to USD 10.1 million the previous year.

There was a positive impairment of USD 5.5 million in 2022 compared to a net positive impairment of USD 0.7 million on the fleet in 2021, as market valuations increased throughout the year.

Net financial items amounted to USD -1.2 million (USD -4.5 million the previous year) of which net unrealized gain from financial instruments was USD 2.5 million against a unrealized gain of USD 1.7 million the previous year, due to mark-to-market adjustments of interest rate derivatives. Interest and other financial expenses during the year were USD -5.4 million (USD -7.3 million). The reduction in interest expenses is mainly due to reduced debt.

Result after tax was USD 56.5 million compared to USD 1.3 million in 2021.

#### Statement of financial position as at 31 December 2022

Total assets at the end of the year were USD 180.3 million, down from USD 220.4 million the previous year. Book value of the vessels was USD 146.6 million (USD 198.0 million), the decrease reflects ordinary depreciation of USD 7.3 million, impairment gain of USD 5.5 million and the sale and delivery of Liberty Peace. Cash and equivalents were USD 10.5 million compared to USD 19.0 million at the end of 2021.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

Total long-term liabilities at the end of the year were USD 54.2 million (USD 84.6 million). The Company's two loan facilities were re-negotiated and maturity extended with 5 years in Q1 2022.

Current liabilities amounted to USD 32.7 million compared to USD 11.8 million at the end of 2021.

The consolidated book equity as of 31 December 2022 was USD 93.4 million (USD 123.9 million). Excluding minority interests, the book equity attributable to NOCC's shareholders as per end 2022 was USD 81.2 million (USD 110.8 million).

## **Cash flow**

Cash flow from operations during the year was USD 3.3 million compared to USD 6.7 million for 2021.

Interest and other financial expenses paid during the year was USD 5.8 million compared to USD 8.4 million in 2021.

Net cash flow from investment activities was USD 82.5 million mainly due to sale of Liberty Peace, compared to USD 63.1 million in 2021 (three vessels sold that year).

Net cash flow from financing activities was USD -94.3 million compared to USD -65.1 million in 2021. In Q1 2022 NOCC renegotiated and extended the loan agreements with its banks.

The net change in cash was USD -8.5 million (USD 4.8 million), and cash at end year amounted to USD USD 10.5 million (USD 19.0 million).

## **Parent Company – Norwegian Car Carriers AS**

Total income for the parent company, Norwegian Car Carriers AS, was in 2022 USD 1.6 million (USD 2.5 million). Total operating expenses were USD 1.8 million (USD 3.5 million) with a corresponding operating loss of USD 0.3 million (USD 1.0 million). Net financial items were USD 47.5 million (USD 2.8 million), while interest income from group companies was USD 1.0 million (USD 0.9 million). The result after tax for 2022 was USD 47.2 million (USD 1.8 million).

It is proposed that the result for 2022 of USD 47.2 million is added to other equity. As per 31 December 2022, the parent company had Other Equity of USD 1.0 million.

## **MARKET 2022**

The PCTC market continued to strengthen through 2022 driven by volume recovery post Covid, strong "high and heavy" market and reduced fleet productivity due to continued inefficiencies in logistical chains and ports. Lack of parts including still semi-conductors, removed about 4 million cars from manufacturers production program in 2022. New car sales increased to 80 million in 2022, and about 17% was transported seaborne to markets<sup>2</sup>. A strong increase in exports from China, especially of electrical vehicles, added demand for tonnage.

The PCTC fleet was fully utilized through the year. Vessels coming open were fixed up to nine months in advance, and new orders were added to the orderbook. Notable developments were direct actions by some car manufacturers in chartering and new ship orders, and a strong rise in new vessel orders from Chinese operators building up capacity to cater for growing export volumes.

---

<sup>2</sup> Source: Maritime Strategies International (MSI) market report for Q1 2023.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

The charter rates for Panamax size vessels based on a 12 Month period started the year at USD 35,000 and the rates increased sharply during the Year. By the end of the Year, brokers estimated the 12-months' time charter rate at USD 110,000 per day for a Panamax.

During the year four newbuildings were delivered and no vessels exited the PCTC world fleet. The net world fleet capacity (measured in terms of CEU) increased by 0.5% and the fleet stood at 676 vessels<sup>3</sup> by the end of 2022 (basis PCTC vessels size above 2.000 CEU capacity).

The newbuilding activity in 2022 was high as a total number of 57 newbuildings were ordered – almost all with dual fuel (LNG) capabilities. At the end of 2022 the order-book counted 100 newbuildings (19% of existing fleet in terms of capacity above 2000 CEU) which are scheduled for delivery in 2023 and onwards.

## EMPLOYMENT OF VESSELS

Norwegian Car Carriers (NOCC) is a tonnage provider which owns and manages a fleet of three vessels for the transportation of cars and other rolling cargo. The vessels are employed under charterer contracts with car carrier operators for various lengths. During 2022 two of the vessels were chartered out on time charter while one was chartered out on bare boat charter.

At the start of the year the fleet counted four vessels; one vessel was sold and delivered to the vessels charterer.

The fleet operated with a total of 0 commercial off-hire days in 2022 (0 in 2021).

## OPERATION OF THE FLEET

The technical management including crewing of the fleet has been outsourced to third party managers. Wallem Ship Management (Hong Kong) is handling the technical management of NOCC Oceanic and NOCC Atlantic. Liberty Passion is chartered out on bareboat contract, and thus NOCC is not handling the daily technical operation of the vessels.

The technical condition and performance of the fleet is closely monitored, and the technical performance was satisfactory during 2022 with no major technical incidents during the year. NOCC Oceanic and NOCC Atlantic were dry-docked in China, and Liberty Peace was dry-docked in Bahrain (and eventually sold and delivered to charterer).

Total technical off-hire days in 2022 was 46,3 days (of which 44 days was related to dry docking) compared to 19 days in 2021 (of which 15 days was related to dry docking).

Two vessels have been equipped with automated monitoring and collection of performance data in cooperation with Raalabs as a step towards digitalization of vessel performance monitoring.

## FINANCING

NOCC has two outstanding debt facilities, the NOCC Corporate loan agreement and the NOCC Atlantic debt facility. Both facilities were refinanced in Q1 2022.

In Q1 2022 the NOCC Shipowning loan agreement was refinanced with three banks at new competitive terms with maturity in March 2027. This is a sustainability-linked financing where the

---

<sup>3</sup> Source: Clarksons.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

payable loan margin is variable in accordance with the fleet's CII-rating (a good CII-rating will result in lower payable loan margin).

The NOCC Atlantic debt facility was also refinanced in Q1 2022 and has maturity in February 2027.

The Company was in compliance with all its financial covenants as per 31 December 2022.

## **RISK FACTORS**

NOCC is exposed to several risk factors that can affect the Company's results. The risk factors can be divided into the following main components: market risk, operational risk and financial risk. Such risks are normally related to volatility in charter income, charter defaults, unforeseen operational events, operating expenses and unforeseen capital expenditure requirements, fluctuations in interest- and foreign exchange rates, as well as financing risk related to new capital expenditure requirements and refinancing of existing credit facilities.

### **Market Risk**

Market risk relates to supply of PCTC vessels and the demand seaborne transportation of light vehicles. Historically, the car carrier segment has proven less volatile than certain conventional shipping segments, but this has changed over the last years. The PCTC market was exceptionally hit after the outbreak of Covid when vessel capacity was in surplus over an extended period through 2020. The market risk for NOCC is primarily related to utilization and rates obtained regarding the chartering of the vessels. The Company is striving to mitigate market risk by employing the vessels on long-term charters when satisfactory employment contracts are obtainable.

During prolonged periods of reduced demand for car carrier tonnage, there is a risk that the Company will be unable to employ the vessels without incurring idle time between charters and that the rates obtained are unsustainable.

### **Operational risk**

The Company is focused on delivering strong operational performance for the fleet and is striving towards operational excellence. Despite the Company's high degree of pre-emptive maintenance, there is a risk for equipment failure. Even though the Company obtains loss of hire insurance for contracts over a certain length, a technical breakdown will affect the earnings for a period of at least 14 days (deductible).

### **Risk related to changes in laws and regulation**

The Company's operation and vessels are subject to international environmental laws and regulations, and new regulations are expected to be phased in the coming years in particular related to environmental performance and emissions. Although the Company is doing its utmost to comply, changes in laws and regulations may expose the Company.

### **Financial risk**

New investments are typically financed from equity proceeds injected by the shareholder as well as debt obtained primarily from Norwegian and international banks. The Company is exposed to financing risk related to potential new investments and refinancing of existing deb. In 2022, the Company's lenders committed to continuing to support the Company and the next refinancing of debt is due in Q1 2027.

### **Interest rate risk**



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

The Company's bank loans are generally subject to floating interest rates. For 2023 87% of the interest rate exposure has been fixed through interest rate swaps under which floating interest payment obligations have been converted into fixed rate. For the period 2023-2027, on average 86% of the interest rate exposure is fixed.

### **Currency risk**

Revenues, operating expenses, assets and liabilities are denominated in USD and the only foreign exchange risk is related to administrative expenses, which are primarily in NOK. A 10% fluctuation in the USD/NOK exchange rate has approx. 0.8% impact on the projected EBITDA of the Company for 2023.

### **Counterparty risk**

NOCC generally has solid counterparties and the counterparty risk is considered manageable. The focus on credit and counterparty risk is increasing during times of weaker market conditions. All of the Company's charterers are current on their payments under the charter contracts.

### **Liquidity risk**

The shipping market is capital intensive. Insufficient liquidity will severely impact the ability to operate. The Company's approach to manage liquidity risk is to ensure, as far as possible that it will have sufficient liquidity at all times to meet its obligations. The Company evaluates its capital structure and explores various options to safeguard liquidity. The Company has a minimum liquidity covenant in its credit facility. Following ship sales in 2022 the Company has strengthened its financial position and liquidity, and enters 2023 with a low debt to vessel values.

## **ORGANIZATION**

The Company's administration is located in Oslo. The Company employed three full time staff in 2022. The sick leave during 2022 amounted to 0 days (57 days) or 0% (2.75%) of the total working days. The Company has not been affected by serious work-related accidents during the year.

Due to the reduction of the fleet the Company has taken steps to reduce the staff and outsourced accounting functions from January 2022. The restructuring process was fully executed in the 1<sup>st</sup> half of 2022. As per 31 December 2022 the Company employed two full time staff (no women).

In the start of 2023 the Company employed two full time staff. In addition, technical fleet management is hired on part time to provide technical resources. Accounting and technical management is outsourced. The working environment is regarded as good. The organization is considered to be well-qualified, staffed at a minimum and cost-effective level to perform the tasks within its remit.

As per 31 December 2022, the Board of directors consisted of four members (no women).

## **ENVIRONMENT, SOCIAL AND GOVERNANCE REPORTING (ESG)**

The Board and Management at NOCC is committed to operate the Company in a responsible and sustainable manner. The aim is to manage the Company in a way which generates long-term profitability in combination with minimum effect on the environment, and care for the people involved in our business as well as the society at large.

The maritime industry is subject to comprehensive global regulations governed by IMO, ISO, regional (e.g. EU) and National bodies and Port States. Increased attention is observed from the larger



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

community including finance through "Poseidon Principles" and EU with "Taksonomi" (sustainable economic activity). IMO is also in the process of enhancing requirements for transportation at sea to contribute its share towards climate control.

NOCC follows developments through its membership in the Norwegian Shipowners Association (with its "zero emissions vision") and in cooperation with classification societies. NOCC is responsible through its ownership of a fleet of vessels (PCTCs), but have in effect delegated much responsibility to third party Technical Managers who are responsible for crew and maintenance of the vessels.

NOCC is evaluating the governance policy of Technical Managers during the selection process and as part of our continuous evaluation of our Technical Managers.

The NOCC vessels are chartered out to operators and thus NOCC does not control the vessels movements, loading conditions and operation, however, NOCC aims to charter the vessels out to reputable charterers with a commitment to environmental sustainability and social responsibility.

## CLIMATE AND ENVIRONMENTAL RESPONSIBILITY

### Emission and energy reduction

Deep sea, oceangoing freight is a significant contributor to greenhouse gas emissions globally: primarily CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>x</sub>. The main source of CO<sub>2</sub> emissions is bunker fuel. Although this is a major source of emissions, seaborne transportation is in most cases far more fuel efficient per unit transported than other transport sectors.

The shipping industry has been subject to global regulations such as Marpol, SOLAS and IMO since the 1970s.

As a "tonnage provider", NOCC does not have direct control of the operation of the vessel (amount of cargo on board, fuel purchase, ordered speed, weather routing etc). These factors influence the emissions pr. transported unit to a large extent, but are beyond the control of NOCC. As such, NOCC are focusing on the factors where we can make a difference.

NOCC is actively evaluating how to improve the fuel efficiency of its vessels. One vessel has earlier been subject to vessel conversion to improve energy efficiency. NOCC has also installed a trim and speed optimization tool on one vessel to enable the crew to optimize the trim of the vessel with a view to optimize its fuel consumption and to allow for a corresponding reduction in CO<sub>2</sub> emissions. When ordering new vessels, the fuel efficiency of the various vessel designs are among the important and decisive factors. In 2016, a vessel performance monitoring system was implemented, and data collection has started with a view to build a database on which valuable information on the operations of the vessels may be retrieved to improve operational efficiency and reduce fuel consumption. In 2019 a satellite transmission system was installed on one vessel and testing of data transmissions commenced. This has been followed with upgrading one vessel with full data streaming capabilities, and cooperation has been established with a reputable supplier for developing the digitalization capabilities for monitoring and data collection. The goal is to use the data streaming to improve the efficiency of the vessel operation and thus improve the environmental footprint of the vessel. In 2022 a data collection (from 80 sensors onboard) and monitoring system (RaaLabs/Edge) was fully commissioned including continuous transmission to shore, and one charterer commenced analyzing and utilizing the performance data in a performance and weather routing system (DeepSea) on a large scale fleet wide basis.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

In connection with the IMO 2020 regulations NOCC evaluated the options in order to comply with the new regulations, and resolved to burn compliant fuel rather than install scrubbers onboard the vessels. The usage of compliant fuel has substantially reduced the SOx emissions compare to the bunker burned prior to the implementation of IMO 2020 regulations.

The technical managers are committed through their own policies to work towards a reduced environmental footprint and to conserve the environment through compliance with requirements. The technical manager reports performance, emission and consumption in to the EU MRV reporting system.

NOCC will continue to strive to reduce its environmental footprint going forward and prepare for new and stricter emissions requirements going forward.

As a part of the Company's sustainability goals NOCC have, through its technical managers, introduced various KPI's in order to better monitor and improve towards a more efficient and sustainable operation of its vessels.

#### KPI development

Average Vessel (MT)	2018	2019	2020	2021	2022**
HFO	9855	9903	6961*	9700*	10388*
MDO	1214	1336	571	1633	822
CO2	33822	42843	23588	35440	33713
Sox	470	616	70	89	90
Nox	1023	1264	475	756	741

\* Compliant fuel (low sulphur)

\*\* Estimate. Not verified by flag state.

#### IMO GHG regulations becomes effective from 2023 (EEXI and CII)

IMO (UN's International Maritime Organization) is committed to reducing Green House Gas (GHG) emissions from international shipping, and from 2023 regulations for Energy Efficiency Existing Ship Index (EEXI) becomes effective. The Company has through 2022 together with the vessels' classification association and the technical manager prepared for the introduction of EEXI.

For NOCC vessels compliance with EEXI entail reduction of power output which is being implemented in 2023 in accordance with regulations. Reduced power output results in reduced maximum speed for the vessels, but with limited operational effect while PCTCs are generally already operating with reduced speed compared to what they are designed for.

The Carbon Intensity Indicator (CII) is a measure of how efficiently a ship transports goods or passengers and is given in grams of CO2 emitted per cargo-carrying capacity and nautical mile. The ship is then given an annual rating ranging from A to E, whereby the rating thresholds will become increasingly stringent towards 2030. NOCC is preparing for reporting and evaluating means to ascertain compliance with CII from 2023 in cooperation with charterers as the operation of the vessels under the charter is directly affecting the CII.

#### Biodiversity and marine pollution

All vessels have ballast water to manage stability and trim of the vessel. The transfer of invasive species in ballast water is a source of environmental contamination through transportation of organism from one eco system to another. As a result, international and national regulations have been implemented to limit the risk of containment. NOCC fully complies with all regulations. Ballast



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

water treatment system is installed on three vessels and is planned to be installed on the remaining vessel in 2022 as required by the regulations (at first renewal of their IOPP-certificate).

There are strict international maritime laws regulating on board waste management to prevent disposal of garbage at sea. This is regulated through MARPOL Annex V. NOCC, through their technical managers have continuous effort towards improving on board waste management with the aim to reduce the total environmental impact of the vessels. Each vessel has its own Garbage Record Book tracking waste treatment ensuring that waste is safely treated and to secure high level of recycling. Furthermore, technical managers are taking actions to actively manage and encourage suppliers to focus on reducing the usage of plastic wrapping.

NOCC, through its technical managers, is fully committed to comply with all applicable regulations related to waste management and has introduced KPI's related to waste management to track the development to steadily improve its environmental footprint. However, comparison between two years may not be a reliable performance indicator as a lot of the waste is driven by specific operational or cargo needs and should not be reduced to zero. The average amount of waste produced per vessel should track downward over an extended period. NOCC believes that waste management is important to reduce the environmental impact for the vessels, furthermore that the Company and its technical managers should strive to improve and strengthen the effort towards this going forward.

#### KPI development

Environment	2018	2019	2020	2021	2022
Garbage landed cbm*	75	77	55	41	44
BWTS Installed	0	1	1	0	1

\* Average per vessel

#### Accidental spills and emergency preparedness

The technical managers of the vessels are responsible for the emergency preparedness of the vessels. This is conducted through an emergency preparedness plan which includes focus on drills, ensuring regular emergency, fire and lifeboat drills as well as verifying that adequate supplies of effective tools and materials are maintained onboard each vessel to respond to oil spills or other emergencies.

If an environmental emergency does occur, the technical managers Emergency Response Plan is effectuated enabling a quick respond enabling efficient focus on the human capital as well as minimizing environmental impact.

All the NOCC vessels are enrolled in DNVGL Emergency Response Service with 24/7 direct access to experienced experts who are ready to give support with correct decision making.

#### Ship Recycling

The recycling of vessels is a potential source of contamination of the environment. NOCC is aware of the environmental aspects relating to the recycling of vessels and therefore takes necessary precautions when selling vessels for recycling. The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the "Hong Kong Convention") has been ratified by Norway, and NOCC is committed to following the standards set out therein and the guidelines established by the Norwegian Shipowners Association.

#### SOCIAL RESPONSIBILITY



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

The on-shore staff and crew onboard the vessels are key resources for the Company. The safety, health and well-being of the staff and crew employed by the Company are key factors for the Company's success and highly prioritized to attract highly-qualified and motivated employees.

The technical management, including crewing of the vessels, has been outsourced to third party managers. The managers are reputable, highly-qualified and experienced with the management of PCTCs and are accredited with ISO certifications and Green Awards. Furthermore, the technical managers have their own social responsibility policy committing to provide a safe, secure, healthy and environmental responsible workplace, as well as support to seafarers families wellness and welfare.

NOCC was an early mover in giving the crew on our vessels access to Internet. In this way they can keep closer and more frequent contact with their family and friends ashore while they are serving on board our vessels. This has been perceived as a very positive initiative

## Health and safety

Compliance procedures are followed and monitored by our in-house technical department and ship managers according to internal and external rules and regulations. NOCC has a 'zero vision' approach when it comes to accidents regarding the operation of the fleet. The attention to and performance of the safety management of the crew and other employees are part of the KPIs which have been implemented for NOCC's management.

Furthermore, the technical managers have introduced "Stop Work" authority to ensure safe operation.

### KPI development

HSEQ	2018	2019	2020	2021	2022
Fatal Accidents	0	0	0	0	0
LTI*	0	0	0	0	0

\* Lost Time Injury

## Labor rights

The crew onboard the vessels are sourced primarily from the Philippines, Ukraine and India. International and local legislation is adhered to by the Company and its technical managers, including the Maritime Labor Convention (2006) which sets out the rights of the seafarers when it comes to, for example, general working conditions, payment of wages, working hours and rest, right to medical care and annual leave. Furthermore, each vessel has its own safety and work environment committee monthly to check proper personal protective equipment (PPE), to discuss safety and work environment agenda as well as concluding debriefing related to crew disembarking and tracking crew retention and satisfaction.

## Diversity and equal opportunity

NOCC believes in equal opportunity, but following the reduction of staff in 2022 no female employees remained with the Company. The Company employ two full time staff in office in Oslo of which none are female. As per 31 December 2022, the Board of Directors consisted of four members, none female. The Company is aware of the imbalance and will work towards improving the ratio in the future.

## Security of assets and People



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

Shipping routes in high-risk areas (e.g. risk of piracy) require a greater focus on security practices. The PCTC vessels have an advantage due to its high speed as well as high freeboard which makes it difficult to capture /enter a vessel at sea. However, when a vessel is scheduled to enter a defined high-risk area, the procedures of the latest version of "Best Management Practice" is strictly followed.

Furthermore, NOCC emphasize the obligation to participate in rescue operations at sea when life is at risk, but no search and rescue operations involving NOCC vessels took place in 2022.

## GOVERNANCE

### Anti-corruption

As an industry, shipping is exposed to corruption and the demand of facilitation payments. NOCC has developed and implemented a Code of Conduct, which applies to all employees. The Code of Conduct states that: "all employees of NOCC shall be opposed to and will contribute to counteract all forms of corruption. Accepting or offering bribes of any nature by any NOCC employee is prohibited". The Code of Conduct specifically states that it is prohibited by any NOCC employee to pay to obtain something we do not have a legal entitlement to, even in cultures where such payments are commonplace.

The Technical Managers have their own Anti Bribery Policy committing them to a zero-tolerance approach to bribery as well as strict actions to report demand for bribe.

## STRATEGY

The main strategy for NOCC is to create shareholder value through efficient, high quality and customer oriented service to the major global car carrier operators. The Company will continue to evaluate opportunities with focus on creating sustainable value for its shareholders.

## OUTLOOK

Main drivers for the PCTC market comprises economic development, car manufacturing and sourcing, and capex in commodity segments. The demand for car carrier tonnage depend on the volumes of cars and other rolling cargo transported by sea and where it flows to the market. The supply of transportation capacity comprises the current fleet and the potential for recycling and new additions.

The PCTC market rebalanced in 2021 and the high utilization rate for the global PCTC fleet is expected to continue the next few years. Outlooks for 2023 are forecasted promising with regard to time charter rates and vessel values.

The tonnage market continued developing positively through 2022 on the back of operational (logistics) inefficiencies in ports and terminals and trades resulting from Covid. Transported volumes are estimated by analysts<sup>4</sup> to continue growing with about 3% per year the next few years.

At the start of 2023 the newbuilding orderbook contained 100 vessels (about 19% capacity compared to the current fleet, according to Clarksons) with only 10 deliveries scheduled in 2023, increasing to 49 in 2024, 37 in 2025 and so far, 4 in 2026. The majority of orders include provisions for dual fuel (LNG) propulsion which will contribute to reducing CO2 emissions to some extent (estimates indicate around 25% reduction of climate gas emission), but recent orders have also provisions for other fuels

---

<sup>4</sup> Source: Clarksons.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

such as ammonia or methanol. What the final solution for reduction of climate gas emissions altogether is still uncertain.

NOCC has chartered out 100% of vessel days in 2023 through half of 2025 at sustainable rates. The Company is well positioned to support its customers and generate positive results.

Oslo, 4 May 2023

DocuSigned by:  
*Eirik Ubøe*  
GAB66D794DA24B2...  
Eirik Ubøe (Chairman)

DocuSigned by:  
*Andreas William Hennings*  
FGA7935AAMF624B7...  
Andreas W. Hennings

DocuSigned by:  
*Olav Sollie*  
222C180E339641C...  
Olav Sollie (CEO)



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Revenue statement NOCC Group: Consolidated Income statement 2022

OPERATING INCOME AND OPERATING EXPENSES	NOTE	2022	2021
Charter revenues	3, 4	34 625 870	26 978 002
Other operating revenue	3	107 517	96 038
<b>Total operating revenues</b>		<b>34 733 387</b>	<b>27 074 040</b>
Gain on sale of vessel	9	31 859 291	0
Ordinary depreciation	9	-7 331 417	-10 098 208
Operating expenses vessels	5	-5 030 385	-8 435 567
Profit/(Loss) on sale of fixed assets		0	-113 000
Other operating expenses/administrative costs	5	-2 007 296	-3 437 934
Impairment		0	-5 249 082
Reversal of previous year's recognized impairment	9	5 511 417	5 988 810
<b>Total operating expenses</b>		<b>-8 857 681</b>	<b>-21 344 981</b>
<b>Operating result</b>		<b>57 734 997</b>	<b>5 729 059</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Other financial income	6	1 512 527	1 144 177
NET IC guarantee fee		-113	0
Net gain/(loss) on exchange	6	151 591	25 835
Unrealised gain/(loss) on financial instruments	6, 11	2 485 392	1 685 571
Interest and other financial expenses	6	-5 392 560	-7 322 253
<b>Net financial items</b>		<b>-1 242 937</b>	<b>-4 466 670</b>
<b>Profit/-(loss) before tax</b>		<b>56 492 060</b>	<b>1 262 389</b>
Taxes	15	0	0
<b>Profit/-(loss) after tax</b>		<b>56 492 060</b>	<b>1 262 389</b>
<b>PROFIT/-(LOSS) ATTRIBUTABLE TO:</b>			
Non-controlling interests		2 994 784	-114 072
Majority interests/Shareholders		53 497 275	1 376 146
Consolidated statement of comprehensive income			
<b>Profit/-(Loss) after tax</b>		<b>56 492 059</b>	<b>1 262 074</b>
Items that will not be classified to profit or loss			
Remeasurement of pension plan	7	90 493	-90 384
<b>Total comprehensive income/ (loss) for the year</b>		<b>56 582 553</b>	<b>1 171 690</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE FOR</b>			
Shareholders of the parent company		53 587 769	1 285 762
Non-controlling interest		2 994 784	-114 072
<b>Total comprehensive income/(loss) for the year</b>		<b>56 582 553</b>	<b>1 171 690</b>



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Balance sheet

### NOCC Group: Consolidation Statement of financial position as at 31 December 2022

	NOTE	2022	2021
<b>LONG-TERM ASSETS</b>			
Right of use assets - lease	8, 9	106 787	756 749
Other assets	9	13 243	21 930
Vessels	9	146 571 703	197 995 284
<b>Total long-term operating assets</b>		<b>146 691 734</b>	<b>198 773 963</b>
Investments in associated and other companies		183	183
Long term derivatives	11	2 368 814	0
Long term receivables same group		0	0
<b>Total financial fixed assets</b>		<b>2 368 997</b>	<b>183</b>
<b>Total fixed assets</b>		<b>149 060 730</b>	<b>198 774 146</b>
<b>CURRENT ASSETS</b>			
Accounts receivables and other current assets	12	20 736 455	2 608 507
Cash and cash equivalents	13	10 524 577	18 982 086
<b>Total current assets</b>		<b>31 261 031</b>	<b>21 590 593</b>
<b>Total assets</b>		<b>180 321 762</b>	<b>220 364 739</b>



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Balance sheet

### NOCC Group: Consolidation Statement of financial position as at 31 December 2022

EQUITY AND LIABILITIES	NOTE	2022	2021
Equity			
Share capital	14	45 860 460	135 005 907
Share premium reserve		18 000 000	39 178 748
Other paid-in capital		1 518 231	27 339 483
Retained earnings		15 825 260	-90 729 848
Non-controlling interests		12 210 030	13 146 496
<b>Total equity</b>		<b>93 413 981</b>	<b>123 940 786</b>
Long-term liabilities			
Deferred tax	15	13 358	22 148
Pension liabilities	7	141 184	230 865
Secured debt on vessels	16	53 878 347	83 552 773
Lease obligation	16	125 101	793 306
<b>Total long term liabilities</b>		<b>54 157 990</b>	<b>84 599 092</b>
Current liabilities			
Current portion of long term debt	16	10 560 000	7 124 193
Other current liabilities	17	3 756 761	4 204 220
Tax payable		41 506	0
Derivatives	11	0	116 579
Public duties payable		391 523	379 869
Dividends		18 000 000	0
<b>Total current liabilities</b>		<b>32 749 791</b>	<b>11 824 861</b>
<b>Total liabilities</b>		<b>86 907 780</b>	<b>96 423 953</b>
<b>Total equity and liabilities</b>		<b>180 321 762</b>	<b>220 364 739</b>

04.05.2023

The board of Norwegian Car Carriers AS

DocuSigned by:

*Eirik Ubøe*

Eirik Ubøe

chairman of the board

DocuSigned by:

*Andreas William Hennings*

Andreas William Hennings

member of the board



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Consolidated statements of cash flows Norwegian Car Carriers AS

	NOTE	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flow from operations		9 086 624	15 133 443
Interest and other financial expenses paid		-5 787 425	-8 421 036
<b>Cash flows from operating activities</b>		<b>3 299 199</b>	<b>6 712 407</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Purchases of fixed assets		-2 499 750	-25 542
Sales of fixed assets		85 000 000	62 005 001
Interest and financial income received		0	1 140 704
<b>Net cash flows from investment activities</b>		<b>82 500 250</b>	<b>63 120 163</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of ordinary shares		0	6 000 000
New loans borrowed		95 600 000	0
Payment/Repayment lease liabilities - net		-30 348	-162 537
Repayment of loans		-120 900 362	-71 173 449
Capital paid to/in from non-controlling interests		-3 931 250	277 500
Payment of dividend		65 000 000	0
<b>Net cash flows from financing activities</b>		<b>-94 261 960</b>	<b>-65 058 486</b>
Currency gains/losses on cash, cash equivalents and drawing facilities utilised		7 336	0
Net change in cash and cash equivalents		-8 455 176	4 774 084
Cash and cash equivalents at the start of the period		18 979 753	14 208 076
<b>Cash and cash equivalents at the end of the period</b>		<b>10 524 577</b>	<b>18 982 160</b>
<b>CASH FLOW FROM OPERATIONS</b>			
Profit/(loss) before income tax		56 492 060	1 262 399
Adjusted for			
Depreciation		7 331 417	10 098 208
Impairments		0	5 249 082
Reversal of previous year's recognized impairment		-5 511 417	-5 988 810
Increase/decrease in pension funds		-89 282	-38 401
Profit/loss on sales of fixed assets		-31 859 291	113 000
Interest and other financial expenses		5 392 560	7 322 253
Other financial postings		-1 512 527	-1 144 177
Currency gain/loss		-151 591	-25 835
Unrealised value change financial instruments		-2 485 392	-1 685 571
Change in working capital			
Customer receivables and other receivables		-18 408 686	-732 464
Due to suppliers and other short term debt		-111 228	703 759
<b>Cash flow from operations</b>		<b>9 086 624</b>	<b>15 133 443</b>
Restricted cash deposit included in cash holdings		1 297 205	698 837

Norwegian Car Carriers AS

Page 4

17/48



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Consolidated statement of changes in equity

(USD 1 000) Equity belonging to shareholders of the Company

	Share capital	Share premium reserve	Other paid in capital	Retained earnings	Total	Non-controlling interests	Total
<b>Equity 31 Dec 2020</b>	<b>132 219</b>	<b>35 965</b>	<b>27 339</b>	<b>(92 015)</b>	<b>103 509</b>	<b>12 983</b>	<b>116 492</b>
<b>2021</b>							
Profit/-(loss) after tax				1 376	1 376	(114)	1 262
<b>Other comprehensive income</b>							
Remeasurement of defined benefit plan				(90)	(90)		(90)
<b>Total comprehensive income</b>				<b>1 286</b>	<b>1 286</b>	<b>(114)</b>	<b>1 172</b>
<b>Transactions with shareholders and non-controlling interests:</b>							
Issue of shares	2 786	3 214			6 000		6 000
Capital paid-in from non-controlling interests						278	278
<b>Total transactions with shareholders</b>	<b>2 786</b>	<b>3 214</b>			<b>6 000</b>	<b>278</b>	<b>6 277</b>
<b>Equity 31.12.21</b>	<b>135 005</b>	<b>39 179</b>	<b>27 339</b>	<b>(90 729)</b>	<b>110 795</b>	<b>13 147</b>	<b>123 941</b>
<b>2022</b>							
Profit/-(loss) after tax				53 497	53 497	2 995	56 492
<b>Other comprehensive income</b>							
Remeasurement of defined benefit plan				90	90		90
<b>Total comprehensive income</b>				<b>53 588</b>	<b>53 588</b>	<b>2 995</b>	<b>56 583</b>
<b>Transactions with shareholders and non-controlling interests:</b>							
Capital reductio	(51 835)			51 835	0		0
Capital reductio	(37 310)			37 310	0		0
Fusjon NOCC Finance AS				(180)	(180)		(180)
Dividend		(21 179)	(25 821)	(18 000)	(65 000)		(65 000)
Dividend				(18 000)	(18 000)		(18 000)
Capital to/from non-controlling interests						(3 931)	-3 931
<b>Total transactions with shareholders</b>	<b>(89 145)</b>	<b>(21 179)</b>	<b>(25 821)</b>	<b>52 965</b>	<b>-136 145</b>	<b>(3 931)</b>	<b>-87 112</b>
<b>Equity 31.12.22</b>	<b>45 860</b>	<b>18 000</b>	<b>1 518</b>	<b>15 823</b>	<b>81 203</b>	<b>12 210</b>	<b>93 414</b>



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Note 1 Accounting principles

The office of Norwegian Car Carriers AS is located at Drammensveien 167, Oslo.

### PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of Norwegian Car Carriers (the "Parent Company") and all the subsidiaries (the "Group") have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared at historical cost except for financial instruments, which are measured at fair value, and financial assets and -liabilities which are measured at amortized cost. The consolidated financial statements are presented in USD, rounded to the nearest thousand unless otherwise stated.

The income statement is specified according to the nature of the individual income and cost items.

### SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements in accordance with IFRS requires management to make assessments, estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. The estimates and assessments are based on previous experience and other factors that are considered to be reasonable and prudent under the circumstances. The assessments form the basis for evaluating the book value of assets and liabilities which is not possible using other available sources. Actual results may differ from the estimates. The main areas of estimate uncertainty on the balance sheet date, and which involve a risk of material change in the financial statements in the carrying value of assets and liabilities in the subsequent financial year, are discussed below.

#### Depreciation of vessels

Depreciation is based on management's estimates of the useful lives of the vessels and the residual value of the vessels less the costs associated with scrapping. The estimates may change due to changes in scrap values, technological developments, competition, as well as environmental and statutory requirements. Management reviews annually the future useful lives of the vessels taking into consideration the factors referred to above. In case of change in useful life and/or residual value, the depreciation of the vessels is adjusted prospectively.

#### Impairment testing of fixed assets

The Group assesses whether there is any need to adjust the value of its assets at each reporting date. Fixed assets are evaluated for any impairment where there are indications that future earnings or fair value may not justify the assets' balance sheet value. The value in use is compared with fair value less cost to sell.

On each reporting date, management assesses whether there are any indications of value impairments related to non-financial assets. Whether there is a requirement to write down the book value of the vessels is assessed based on a) vessel value appraisals obtained from two independent ship brokers, b) the discounted estimated cash flows from the vessels, based on the net result before financial items over the useful lives of the vessels and their expected residual value after 30 years in operation. The cash flows are based on existing contracts as well as estimated future cash flows from new contracts. MSI forecasts for future TC rates, and a Weighted Average Cost of Capital (WACC) of 11.2 % has been applied to calculate the present value of the cash flows.

### CONSOLIDATION PRINCIPLES

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at the balance sheet date.

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies etc.

An entity is consolidated in the consolidated financial statements from the date the Group acquires control over the entity. Correspondingly, the entity is removed from the consolidated financial statements when control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Intercompany transactions, intra-group accounts and unrealised Group gains are eliminated in the consolidated financial statements. Unrealised losses are also eliminated unless the transaction clearly shows that the asset transferred has a reduced value. Accounting principles used by subsidiaries have been changed where this has been necessary to ensure uniform accounting practice in the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## INCOME RECOGNITION

Income is recognized when an agreement has been signed, the service has been delivered, the income has been determined and is possible to quantify, claims are undisputed and when other obligations have been fulfilled.

### Charter income

The type of contracts the Group has with its customers are either a time charter contract or a bareboat charter contract. Both types of contracts have a lease element and this type of revenue is accounted for as leases under IFRS 16. A time charter contract will also include a service component which can include operation and maintenance of the vessel. The service component will be within the scope of IFRS 15. The volume of services provided are usually stable throughout the leasing period, and revenue will therefore be recognised on a linear basis over the lease term

Expenses incurred between the end of a charter party contract and the start up of the next charter party contract are expensed if the expenses are not directly related to the new charter party contract.

## SEGMENT REPORTING

The Group has one business area: international shipping within the car carrier and ro-ro segment. The Group's internal reporting does not distinguish between different segments.

## RELATED PARTIES

Parties are regarded as being related if one party has the opportunity to directly or indirectly exercise control over the other party or has material influence over the other party's financial or operational decisions. Parties are also related if they are subject to common control or subject to common material influence. All transactions are based on the arm's-length principle (estimated market value).

## SHARES AND SHARE PREMIUMS

Ordinary shares are classified as equity. Expenses that are directly related to the issue of new shares or options, less tax, are entered as a reduction in the consideration received under equity capital.

## FOREIGN EXCHANGE TRANSACTIONS

Functional currency and presentation currency

The Group's presentation currency is USD. This is also the parent company's functional currency. Accounting transactions that are undertaken by the respective Group companies are registered in the currency that is normally used in the financial environment in which the entities operate (functional currency).

### Transactions and balance sheet items in foreign currencies

Foreign currency transactions are converted to the functional currency at the rate on the transaction date. Realised currency gains or losses on settlement and conversion of monetary items in foreign currencies to the rate of the balance sheet date, are posted to the income statement under "Net gain/(loss) on foreign exchange".

### Group companies

The results and the financial position of a subsidiary or associated company using a functional currency different from the Group's presentation currency is converted using the following procedure:

(a) assets and liabilities in each balance sheet presented (including comparable figures) are converted at the closing rate on the relevant balance sheet date,

(b) income and expenses in each income statement (including comparable figures) are converted at the exchange rate on the dates of the transactions. The average exchange rate may in some circumstances be used if it does not deviate significantly from the exchange rate at the transaction date, and

(c) translation differences are posted against the comprehensive revenue and specified under equity as a separate item.

On the sale of all or parts of a foreign business, the associated translation differences are reclassified from the comprehensive income as part of the gain or loss on sale and presented as part of gain/(-loss) under operating income.

## PROVISIONS

Provisions are accounted for when the Group has a liability, whether legal or constructive, that follows from past events, and it is likely that there will be a financial settlement as a result of the event, and the liability can be reliably estimated.

## CLASSIFICATION OF ITEMS IN THE BALANCE SHEET

Current assets and current liabilities include items that fall due for payment within one year after the balance sheet date. The current portion of long-term debt is classified as short-term debt. Financially motivated share investments are classified as current assets, while strategic investments are classified as fixed assets.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash holdings, bank deposits, other short-term and especially on-going investments that will be redeemed within three months from the original time of placement. Cash and cash equivalents are entered at nominal value in the balance sheet. Restricted funds are included. Bank overdrafts are shown under borrowings in current liabilities on the balance sheet.

## CURRENT ASSETS

Short-term customer receivables are posted at par value less provisions for lifetime expected credit losses.

Stocks of luboil and bunkers are recognized in the balance sheet at cost, using the first-in/first-out method (FIFO).



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## **FIXED ASSETS – VESSELS AND EQUIPMENT**

Fixed assets are recognized in the statement of financial position at historical cost less accumulated depreciation and write-downs. The historical cost of an asset in the Group is kept in the functional currency associated with the asset and all accounting entries related to the asset take place in the functional currency before conversion to the presentation currency described above. In the case of rebuilding contracts, the cost price includes all costs incurred in the development and construction process, including construction supervision costs and other technical costs. In the case of vessels acquired, the cost price includes costs directly related to the purchase of the vessel. Depreciation is calculated on a linear basis after taking into account the asset's scrap value and costs related to scrapping. Estimates related to the lifetime and scrap value are reviewed at each reporting date. Vessels and equipment have an expected economic life of 10-30 years.

Ordinary repair and maintenance costs are posted to the financial statements when incurred. In accordance with IAS 16, docking costs are capitalized. Capitalization takes place when the docking has been completed and is depreciated over the period until the next expected inspection. Any remaining capitalized amount from previous inspections is expensed.

### **Write-down of assets**

Fixed assets are assessed for indications of impairment on each reporting date and always when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. When assessing the need for a write-down, the assets are grouped at the lowest level where there exist identifiable and independent cash flows. The write-down is calculated as the difference between the carrying value and the amount that is considered to be recoverable. The recoverable amount is the higher of the asset's net sale price and the value in use for the company. The value in use is calculated based on discounting the future cash flows that are expected to be generated from the asset. When it is estimated that the fair value is lower than the carrying value, the assets are written down to the recoverable amount. Write-downs posted in earlier periods are reversed only if there are changes in the estimates that are used to calculate the recoverable amount. However, the reversal amount may only be of such a size that the carrying value after the reversal as a maximum corresponds to the value the asset would have been carried at if the write-down had not been made. Such reversals are to be posted to the income statement.

## **LEASES**

The Group has adopted IFRS 16 from 1 January 2019. The details of the changes in accounting policies are disclosed below.

As a lessee, the Group leases office spaces and other equipment from external parties. Under IFRS 16, the Group recognises right-of use assets and lease liabilities for all leases, except those with less than 12 months of lease term and other low value assets.

As a lessor: The Group leases vessels on time charter contracts or bare boat contracts to external parties. The Group classifies these leases as operating or finance leases based on its assessment of whether the Group transferred substantially all the risks and rewards incidental to ownership of the leased assets to the lessees. The accounting policies applicable to the Group as a lessor are not significantly different from those under IAS 17. The Group has assessed that there are no adjustments on transition to IFRS 16 for lease arrangements in which it acts as a lessor.

## **INVESTMENTS AND FINANCIAL ASSETS**

The Group classifies financial assets based on the business model in which they are managed and their contractual cash flows. The Group has financial assets measured at fair-value through profit or loss (FVTPL) and at amortized cost.

1. Financial assets at fair value over profit or loss: Financial assets at fair value over profit or loss are financial assets held for trading purposes. A financial asset is classified in this category if it is primarily acquired with a view to providing a gain from short-term price fluctuations. Derivatives are classified as held for trading. Hedge accounting has not been applied. Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current.
2. Financial assets and liabilities measured at amortized cost: Financial assets classified in this category are customer receivables and other receivables, held to maturity in a business model whose objective is to collect contractual cash-flows and with cash-flow characteristics being solely payment of principal and interest. Financial liabilities are in general measured at amortized cost. The financial assets and - liabilities are classified as current unless they fall due more than 12 months after the balance sheet date.

### **Accounting and measurement:**

Normal purchases and sales of investments are entered at the date of the agreement, which is the date the Group undertakes to buy or sell the asset. All financial assets that are not accounted for at fair value over profit or loss are carried initially at fair value with the addition of transaction costs. Financial assets that are carried at fair value over profit or loss are entered on acquisition at fair value and the transaction costs are posted to the result. Investments are removed from the balance sheet when the rights to receive cash flows from the investments cease or when these rights have been transferred and the Group has substantially transferred all risks and all gain potential from ownership. Financial assets and liabilities measured at amortized cost are measured using the effective interest rate method.

### **Business combinations**

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognized in profit and loss. Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IFRS 9, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

#### Accounting for derivatives

All derivatives are according to IFRS 9 deemed to be held for trading and are measured at fair value through profit or loss (FVTPL). Subsequently the item is re-valued through the profit and loss on each reporting date.

As at 31 December 2022, the Group had three USD interest hedges (SOFR-rate) that qualified for hedge accounting under IFRS 9. A change in value of derivative transactions is thus posted immediately in the income statement.

#### LOANS

Borrowings are initially recognized net of transaction costs incurred, and are subsequently accounted for at amortised cost using a simplified effective interest rate method. The difference between the proceeds and the redemption value is recognized in the income statement over the term of the loan as part of the effective interest rate.

Premiums or discounts and transaction costs are taken into account in calculating the amortised cost when using the effective interest rate method.

#### BORROWING COSTS

General and specific 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 prepare 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 recognized in profit or loss in the period in which they are incurred.

#### DIVIDENDS

Dividends proposed by the board are recognized as a liability in the financial statements when approved by shareholders in the general meeting.

#### PENSION LIABILITY

The Group has a defined benefit-based pension scheme. A benefit-based pension scheme defines the employee's right to agreed future pension benefits normally dependent on factors such as age, number of years of service and salary.

The liability is carried as the present value of pension liabilities on the balance sheet date less the fair value of pension funds allocated for payment of benefits together with corrections for non-recorded estimate differences and costs related to previous periods' pension accrual. The pension liability is calculated annually by independent actuaries based on a linear earnings model. The present value of the defined benefit obligation is determined by discounting the estimated future cash out flows using the market yield on government bonds, on the balance sheet date as there is no market for similar, high-quality corporate bonds in Norway that have terms of maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from new information and changes in actuarial assumptions are posted to other comprehensive income in the period in which they arise.

The Group has a defined contribution plan for some of its employees. The contributions are recognized as employee benefit expenses when they are due.

#### TAX

The tax charges in the income statement consist of tax payable and change in deferred tax. The annual tonnage tax is classified as other administration expenses in the financial statement.

Deferred income tax is calculated with 22%, using the liability method, on all temporary differences between the tax base of financial items, their carrying value for financial reporting purposes, their carrying value for financial reporting purposes as well as any financial tax losses carried forward.

Deferred tax/deferred tax asset is calculated on all differences between accounting and tax values of assets and liabilities except for: temporary differences related to investments in subsidiaries, associated companies or jointly controlled businesses when the temporary differences will be reversed and this is not expected to happen in the foreseeable future.

Tax payable and deferred tax is accounted for directly against equity to the extent that the tax items relate to equity transactions.

Deferred tax on underlying temporary differences related to participatory companies within the Norwegian tax area is included in the tax calculation. If a participatory company is to be sold, this will not give rise to a tax effect.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available, and that the temporary differences can be deducted from this profit. Deferred tax is presented net in the balance sheet.

#### POST-BALANCE SHEET EVENTS

New information after the balance sheet date about the Group's financial position on the balance sheet date is included in the annual financial statements. See note 21 for detailed information. Events after the balance sheet date that do not affect the Group's financial position at the balance sheet date, but which will affect the Group's financial position in the future, are stated if these are material.

#### CHANGES TO ACCOUNTING POLICIES, NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

These consolidated financial statements have been prepared in accordance with all mandatory standards issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Note 2 Significant accounting estimates and judgements

The Group makes certain estimates, judgements and assumptions related to forecast. There is a significant risk that the actual condition will deviate from the estimated assumptions. Estimates and forecasts that will represent a significant risk of material changes to the balance sheet values of fixed assets during the next financial year are discussed below.

### (a) Estimated useful life of vessels

The group applies a 30 years useful life for the vessels which is the basis for the depreciation profile. In cases where vessels are used for longer periods than their estimated useful lives these are subsequently entered in the balance sheet at the estimated residual value plus any periodic docking.

### (b) Estimated residual value of vessels

The vessels are depreciated to an estimated residual value. The residual value is calculated using the price of steel on 1 January in the financial year less estimated demolition costs. The steel price is obtained from ship brokers based on recent recycling transactions involving similar vessels.

The residual value is calculated based on the lightweight of the vessels. Following sale of one vessel in 2022, the aggregate lightweight of the vessels was 69,858 tons at the end of the year. The lightweight of the vessels is multiplied by the steel price to derive the total scrap value. The below estimates of steel price have been applied in the Group's depreciation tables during the period 2015-2022:

	2022*	2021	2020	2019	2018	2017	2016	2015
USD/ton	629	472	400	425	450	250	250	450
	*Average							

The table below shows the Group sensitivity to fluctuations in steel price – other factors remaining constant:

		Increase/reduction in steel price
2022	+/- 10 %	145/(145)
2021	+/- 10 %	169/(169)

### (c) Impairment tests

Management assesses whether there are any indicators of impairment at each reporting date. The vessels book value are compared to vessel value appraisals obtained from two independent ship brokers to assess if these support the book value. In 2022 all the book values were supported by the value appraisals. However, in light of one vessel (Liberty Peace) being sold substantially above its book value there was strong indicators of considering a reversal of previously recognized impairment. This requires the entity to estimate the recoverable amount of the vessel (being the highest of market value and value-in-use). Management calculated the value-in-use for Liberty Passion, NOCC Oceanic and NOCC Atlantic to assess the discounted cash flows. The discounted cash flows are composed on the basis of the net result before financial items over the useful life of the vessel and the expected residual value after 30 years' operation. The cash flows take into consideration the existing contract as well as estimated future cash flows from new contracts. MSI forecasts are used as basis for future TC rates. The budgeted net result is the company's best estimate of future earnings, costs, off-hire and docking over the remaining life of the vessel plus the residual value. A Weighted Average Cost of Capital (WACC) of 11,2% has been applied in order to calculate the present value of the cash flows. When comparing the value-in-use with the market value, the market value was the highest amount, and as such the market value is the vessels recoverable amount. As the recoverable amount exceed the carrying amount, reversal of previous impairment was booked up to the amount that would have been determined net of depreciation had no impairment loss been recognized for the vessel in prior years. The reversal was therefore capped at 5.5 MUSD.

As the market value was determined to be the vessels recoverable amount there is no sensitivity from fluctuations in WACC and OPEX:

	Effect on impairment in USD 1 000	
	Increase 1 %	Decrease 1 %
WACC	+/- 1.0 %	+0
OPEX	+/- 1.0 %	+0

(Positive amount indicates lower amount to be written down)

Except for art in the office (not significant), the Group did not hold any intangible assets as of 31 December 2022



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

### Note 3 Operating segments

The Group's business is organised into one reporting segment. Operating income is categorized according to the domicile of the contractual counterparty. In 2022 three customers each represented more than ten per cent of the operating income, and total turnover for these customers was USD 34,7, compared to USD 23,9 million in 2021.

The operating income can be related to the following countries:

(USD 1 000)

	2022	2021
Korea	10 357	8 164
USA	12 596	11 906
Liberia		467
Norway	107	5 050
Israel	11 676	1 487
<b>Total operating income</b>	<b>34 737</b>	<b>27 074</b>

The Group's vessels are flagged in the following countries:

(USD 1 000)

Book value vessels	2022	2021
Norway	91 391	91 073
USA	55 180	106 922
<b>Total book value vessels</b>	<b>146 571</b>	<b>197 995</b>



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Note 4 Net Charter Revenue

Operating revenues	Days	Rate	31.12.22	31.12.21
TC hire 13.02-11.12.21 (including off-hire)			0	27 584 149
TC hire 01.01-31.12.22 (including off-hire)	340,7	31 350	35 490 485	
Bunkers consumption			-256 613	-259 697
<b>Total</b>			<b>35 233 872</b>	<b>27 324 452</b>
Commissions				
Clarksons Norway AS, 01.01 - 31.12.22			-608 002	-358 536
<b>Total</b>			<b>-608 002</b>	<b>-358 536</b>
Other operating expenses				
Other operating expenses			0	-5 104
Victual/comm/ent. fee /hold cleaning			0	17 188
<b>Total</b>			<b>0</b>	<b>12 084</b>
<b>Total operating revenues</b>			<b>34 625 870</b>	<b>26 978 000</b>

## Note 5 Other operating- and administrative expenses

(USD 1 000)	2022	2021
Operating expenses vessels		
Crew expenses vessel	-2 369	-4 236
Technical operating expenses	0	-2 260
Insurance	-574	-825
Pre-operating expenses	0	-531
Other operating expenses	-2 088	-583
<b>Total</b>	<b>-5 030</b>	<b>-8 436</b>
Administrative expenses		
Salaries/holiday pay	-956	-2 394
Employment tax	-337	-355
Legal fees	-34	-38
Other professional fees	-312	-64
Other operating expenses	-330	-384
Tonnage tax	-38	-62
<b>Total</b>	<b>-2 007</b>	<b>-3 297</b>
Pension cost		
Defined benefit plan	-90	-90
Defined contribution plan	90	-51
<b>Total administrative expenses</b>	<b>-2 007</b>	<b>-3 438</b>
Specification of auditor fees		
Audit fee	-59	-61
Other attestation services	-24	-1
Tax consultancy services	-33	-5
Other services	0	0
<b>Total</b>	<b>-116</b>	<b>-67</b>

Reference is made to note 18 for detailed information of the remuneration to the CEO. The average number of employees during the year was 3,75

All amounts are excluding V.A.T.

## Note 6 Financial items

(USD 1 000)	2022	2021
Other financial income		
Interest income	1 513	1 144
<b>Total interest and other financial income</b>	<b>1 513</b>	<b>1 144</b>
Net gain/(loss) on foreign exchange	152	26
Unrealized gain/(loss) on financial instruments		
Unrealized value increase/(decrease) interest rate swap agreements	2 485	1 686



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

Total unrealized gain/(loss) on financial instruments	2 485	1 686
Interest and other financial expenses		
Interest expenses mortgage debt	-4 530	-7 043
Interest expenses capitalized		
Other financial expenses	-863	-280
Total interest and other financial expenses	-5 393	7 322
Net financial items	-1 243	-4 467

## Note 7 Pension

The Group has two pension plans, one defined benefit plan and one defined contribution plan. Both plans provide benefits to members in the form of a pension payable for a defined period when reaching the retirement age. The level of benefits provided depends on length of service of each member, their salary in the final years and the amount of benefits from the social security system leading up to retirement. The liability is covered through Storebrand Livsforsikring AS. The defined benefit plan was closed on 30 October 2012 and employees hired after this date will benefit from a defined contribution plan. The Company's pension scheme meets the requirements of the law on compulsory occupational pension. All former pensioners were bought out of the contract as per 31 March 2016. On the same date it was also undertaken a reorganization of the disability pension of the contract, and this resulted in a release of liability and reserves. The disability pension will in the future not be part of the actuarial calculation and is now a pure risk coverage that should not be capitalized.

Economic assumptions used as a basis for the calculation:

(USD 1 000)	2022	2021
Discount rate	3,00%	1,90%
Expected rate of compensation increase	3,50%	2,75%
Expected rate of pension increase	1,50%	0,00%
Increase of social security base amount	3,25%	2,50%

The actuarial assumptions relating to demographic factors are based on assumptions generally applied to insurance (Table K2013BE for 2022 and Table K2013BE for 2021)

Average remaining service period	12,00	12,00
Payroll tax / social security tax	14,10%	14,10%
Actives total	3	3
Pensioners total	0	0

	2022	2021
Service cost	86	85
Interest cost on accrued pension liabilities	4	4
Net pension costs in period	90	89

Net liability (assets) at beginning of period	2 806	2 622
Service cost	83	82
Interest costs on accrued pension liabilities	25	22
Past service cost	0	0
Settlement	0	0
Payroll tax / social security tax on employers contribution	(8)	(23)
Benefits paid	(13)	0
Remeasurements loss/(gain)	(549)	103
Net liability/(assets) at the end of period	2 344	2 806

Fair value of assets at beginning of period	2 575	2 375
Return on pension funds	18	14
Contribution from employer	66	197
Payroll tax / social security tax on employers contribution	(8)	(23)
Benefits paid	(13)	0
Remeasurement (loss) gain	(459)	13
Fair value of assets at end of period	2 179	2 576

Funded status (underfunded)		
Net assets/(liability) recognised in the BS at the end of period	(165)	(231)

Net assets/(liability) recognised in the BS at the beginning of period	(231)	(248)
Pension cost	-90	(90)
Employer contribution incl. payroll tax and currency effect	66	197
Remeasurement (loss) gain	90	(90)

27/48



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

Net assets/(liability) recognised in the Balance Sheet end period (164) (231)

## Note 8 Leases and commitments

The Group has identified two lease contracts where the Group is the lessee and IFRS 16 introduces new or amended requirements with respect to lease accounting:

### Office

The Group administration is situated in rented premises in Drammensveien 167 in Oslo, Norway. In December 2021 the Group renewed the contract for office lease in Drammensveien 167 in Oslo for another 5 years. This 5 years renewal period begins January 2023 and expires January 2028. The Group administration only occupy about ¼ of the office space leased and about ¼ of the office space was in 2022 subleased to various tenants on a pass-through of rental costs basis.

### Office machine

The Group is renting an office machine. The contract expired in Q3 2022.

On transition to IFRS 16, the Group recognised Right-of-use Assets and Lease obligations for these leases. When measuring the Lease obligations, the Group discounted lease payments using the applicable incremental borrowing rate (5.63%).

All the Group's vessels are chartered out on either time charter contracts or bareboat contracts. These contracts are leases where the Group is the lessor and retains substantially all risks and rewards incidental to ownership, and the accounting will remain unchanged according to IFRS 16.

### 2021

(USD 1 000)	Carrying amount 01.01.2021	Additions	Depreciation ROA	Payment in Lease obligation	Interest expense on Lease obligation	Currency effect	Carrying amount 31.12.2021
Right of use Assets	869	16	-128				757
Lease obligations	-917	-16		163	-47	24	-793

### 2022

(USD 1 000)	Carrying amount 01.01.2022	Additions	Depreciation ROA	Payment in Lease obligation	Income in Lease obligation	Interest expense on Lease obligation	Currency effect	Carrying amount 31.12.2022
Right of use Assets	757	-626	-22					107
Lease obligations	-793	626		142	-114	-7	17	-125



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Note 9 Fixed assets

(USD 1 000)

1 January 2022	Right of use assets	Other assets	Vessels	Docking	Total vessels	Vessels held for sale incl docking	Total
Acquisition cost	885	225	357 561	9 810	367 370	0	368 480
Acquisition cost - non depreciable	0	5	0	0	0	0	5
Acc depreciation and write downs	(128)	(207)	(159 769)	(9 606)	(169 375)	0	(169 710)
<b>Adjusted book value 1 January 2022</b>	<b>757</b>	<b>23</b>	<b>197 792</b>	<b>204</b>	<b>197 995</b>	<b>0</b>	<b>198 775</b>

### Accounting year 2022

Book value 1 Jan	757	23	197 792	204	197 995	0	198 775
Reclassification	0	0	0	0	0	0	0
Lesser value	0	0	0	0	0	0	0
Additions	(627)	0	501	1 999	2 500	0	1 873
Sale of vessel	0	0	(52 141)	0	(52 141)	0	(52 141)
Depreciation	(21)	(153)	(6 801)	(493)	(7 294)	0	(7 469)
Impairments	0	0	5 511	0	5 511	0	5 511
<b>Book value 31 December 2022</b>	<b>109</b>	<b>(130)</b>	<b>144 863</b>	<b>1 710</b>	<b>146 571</b>	<b>0</b>	<b>146 549</b>

### 31 December 2022

Acquisition cost	757	167	198 292	2 203	206 006	0	206 159
Acquisition cost - non depreciable	(627)	0	0	0	0	0	(627)
Acc depreciation and write downs	(21)	(153)	(52 929)	(493)	(59 435)	0	(59 610)
<b>Book value 31 December 2022</b>	<b>109</b>	<b>(130)</b>	<b>144 863</b>	<b>1 710</b>	<b>146 571</b>	<b>0</b>	<b>146 549</b>

Useful life                      4-9 years    3-5 years    30 years    2,5-5 years

The vessel NOCC Baltic was sold 27.09.22. Gain on sale was USD 31 859 291

### Write-down fixed assets

Current year's reversal of prior year's impairment of USD 5,5 million relates to the vessels NOCC Arctic and NOCC Atlantic

### Current year's addition-vessels

There has not been any vessels addition in 2022. Vessel addition represented BWTS (Ballastwater System) for the vessel NOCC Oceanic and NOCC Atlantic

### Current year's docking addition

There has been docking addition in 2022, that is USD 1345T for NOCC Oceanic and 654TUSD for NOCC Atlantic

### Mortgages

All vessels owned by the Group have been mortgaged as security for bank loans. Please refer to Note 16



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

1 January 2021	Right of use assets	Other assets	Vessels	Docking	Total vessels	Vessels held for sale incl docking	Total
Acquisition cost	992	198	409 727	10 609	420 336	9 078	430 604
Acquisition cost -non depreciable	0	5	0	0	0	0	5
Acc depreciation and write downs	(123)	(117)	(151 791)	(8 445)	(160 236)	0	(160 476)
<b>Adjusted book value 1 January 2021</b>	<b>869</b>	<b>86</b>	<b>257 937</b>	<b>2 164</b>	<b>260 100</b>	<b>9 078</b>	<b>270 133</b>

#### Accounting year 2021

<b>Book value 1 Jan</b>	<b>859</b>	<b>86</b>	<b>257 937</b>	<b>2 164</b>	<b>260 100</b>	<b>9 078</b>	<b>270 133</b>
Reclassification	0	0	0	0	0	0	0
Additions/disposals	16	27	(52 166)	(799)	(52 966)	(9 078)	(62 001)
Depreciation	(128)	(90)	(8 719)	(9 880)	(9 880)	0	(10 098)
Impairments	0	0	740	740	740	0	740
<b>Book value 31 December 2021</b>	<b>757</b>	<b>22</b>	<b>197 791</b>	<b>197 995</b>	<b>197 995</b>	<b>0</b>	<b>198 774</b>

#### 31 December 2021

Acquisition cost	885	225	357 561	9 810	367 370	0	368 480
Acquisition cost - non depreciable	0	5	0	0	0	0	5
Acc depreciation and write downs	(128)	(207)	(159 769)	(169 376)	(169 376)	0	(169 711)
<b>Book value 31 December 2021</b>	<b>757</b>	<b>22</b>	<b>197 791</b>	<b>197 995</b>	<b>197 995</b>	<b>0</b>	<b>198 774</b>

Useful life 4-9 years 3-5 years 30 years 2,5-5 years

The vessel NOCC Kattegat was sold in Februar 2021, and has been classified as "Held for sale" as per end 2020 as it was agreed sold prior to year-end. Further to this, the vessels Asian King and Glovis Companion were both sold in Q2 2021

#### Write-down fixed assets

Current year's positive impairment charge of USD 0,7 million relates to the vessels Asian King and Glovis Companion, plus a reversal of prior year's impairment on the NOCC Oceanic. The impairment charge booked in 2020 relating to all vessels except Asian King.

#### Current year's addition-vessels

There has not been any vessels addition in 2021. Prior years vessel addition represented BWTS (Ballastwater System) for the vessel Glovis Companion

#### Current year's docking addition

There has not been docking addition in 2021. Prior years docking addition was USD 1.020 million mainly for the vessel Glovis Companion

#### Mortgages

All vessels owned by the Group have been mortgaged as security for bank loans.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Note 10 Financial risk management

### Risk management overview

The Group is exposed to financial risks such as market risk, credit risk and liquidity risk. Market risk comprise three types of risk: interest rate risk, foreign currency risk, and price risk.

In order to reduce and mitigate these risks, the management periodically reviews and evaluates the most important financial market risks. When a risk factor is identified, measures may be taken to reduce the specified risk. When deemed appropriate, the financial market risks are mitigated by applying derivative products for hedging purposes. If derivative transactions are entered into, only recognized ordinary derivative instruments are applied. It is the policy of the management to execute financial derivative transactions with recognised financial institutions only. None of the derivative transactions entered into by the Group are designated as accounting hedges, and hedge accounting is not applied.

### Interest rate risks

The Group has applied derivatives only for the purpose of managing risks related to fluctuations in interest rates. The treatment of financial derivatives for accounting purposes is further discussed in note 15 for the Group.

### Foreign exchange risks

The functional currency of the Group is in USD as most of the revenues, expenses, assets and liabilities are denominated in USD. The foreign exchange exposure is primarily related general and administrative expenses which is in NOK. The available liquidity is primarily held in USD and, to a lesser extent in NOK. As per 31 December 2022 the Group has not entered into any foreign exchange rate derivatives.

### Price risk

The Group will normally have very limited exposure to risks associated with bunkers price fluctuations since the supply of fuel is for charterers account when the vessel is on contract. The Group has not entered into any bunker derivatives.

Net foreign exchange gains and losses recognized in the profit and loss account:

(USD 1 000)	2022	2021
Net gain/(loss) on foreign exchange (note 6)	152	26
Total	152	26

### Interest rate risk

The Group is exposed to interest rate fluctuations primarily related to the Group's long-term debt obligations. In order to reduce the interest rate risk, the Group has adopted a strategy to hedge a portion of the interest rate exposure associated with the long-term debt by entering into interest rate swaps.

Depending on developments in interest rates and certain internal guidelines, the Group enters into hedging transactions with a view to fix 50-70% of the interest rate exposure. The interest rate risk is assessed using a dynamic model which takes into account different scenarios based on refinancing, alternative financing and hedging.

As per 31 December 2022, the Group had entered into interest rate swap agreements for a total nominal value of USD 45 million, under which the Group received a floating interest rate and paid a fixed rate.

As per 31 December 2022, the proportion of fixed rate debt represented 74% of the interest-bearing debt. The variable proportion of the interest-bearing debt have 3 months rollover/repricing dates.

The following table illustrates the sensitivity in the Group's profit before tax from given fluctuations in interest rates (interest swap included), all other factors held constant.

(USD 1 000)	Increase/reduction in loan interest	Effect on result before tax
2022	+/-1%	+/-398
2021	+/-1%	+/-759

During 2022 and 2021 the Group's borrowings at a variable rate were denominated in USD. The impact on the Group's equity is immaterial. See detailed information of borrowings in Note 12 - Debt.

### Credit risk

Credit risk occurs in transactions with financial instruments, cash deposited with banks and financial institutions in addition to risks related to customer receivables and other short-term receivables. The Group deals primarily with recognized and creditworthy third parties. There have been very few disputes, if any, with customers regarding payment and fulfilment of contractual terms. Customer receivables are monitored continuously and the Group's risk of loss on receivables is considered low. There is also credit risk related to loans to associated companies. The maximum exposure is limited to the book value of the financial assets including derivatives. The maximum exposure related to customer receivables is deemed to be equal to the book value of customer receivables; see Note 10 - Other long-term receivables, account receivables and other current assets.

The liquidity reserve of the Group is primarily deposited with major banks like Nordea Bank Apb and DNB Bank ASA.

These banks have following long-term credit ratings:

Nordea Bank Apb	AA-	(Standard & Poors)
-----------------	-----	--------------------



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

DNB Bank ASA AA- (Standard & Poors)

## Liquidity risk

The Group monitors the risk of shortage of available capital by carefully following up maturity dates for financial investments, financial assets, and projected cash flows from operations. Careful management of liquidity risk involves maintaining a sufficient holding of cash and tradable securities in order to maintain sufficient liquidity to honour running obligations. The management monitors the liquidity reserve through rolling forecasts based on expected cash flows.

The table below provides details of financial liabilities classified according to the repayment structure. The amounts are undiscounted cash flows, and the classification has been done according contractual maturity.

(USD 1 000)

31 December 2022	2023	2024	2025	2026	2027	Later	Total
Long-term interest bearing debt	10 390	9 760	9 460	9 360	26 060	0	65 030
Lease obligation	43	37	37	8	0		125
Derivatives							
Other short-term debt	3 915						3 915
Total	14 413	9 874	9 581	9 487	26 195		69 548
Interest during the period	3 474	2 708	2 158	1 587	275		10 201

1) Including interest under interest rate swaps and interest on lease obligation.

## Fair value of interest-bearing debt

Some of the Group's bank loans are subject to interest margins that are currently deemed to be below market levels. The difference between book-value and actual value of interest bearing debt is immaterial.

## Capital management

The Group's management has an objective to ensure that the Group maintains a certain solidity in order to support the business and maximise shareholder value. The Group manages its capital structure and makes necessary changes on an ongoing basis according to an assessment of the economic factors, under which the business is operated in the short- to medium term.

Management of the capital structure is carried out through adjusting dividends or issuing new shares. There has been no change to the guideline within this area during 2022.

The Group's policy is to maintain an equity ratio of at least 30 per cent. As per 31 December 2022, the book equity ratio was 51,83% (56,24% as per 31 December 2021).

The book equity ratio is calculated as book equity divided by total assets:

(USD 1 000)

31 December:	2022	2021
Total equity	93 414	123 941
Assets	180 322	220 365
Equity ratio	51,80%	56,24%

## Note 11 Financial instruments

### Measurement of fair value

The fair value of unquoted financial assets has been estimated using valuation techniques based on assumptions that are not supported by observable market prices.

The fair value of foreign exchange contracts is set by using the forward rate on the balance sheet date and is set by calculating the present value of future cash flows. In the case of all the above-mentioned derivatives, the fair value is confirmed by the financial institution that the Company has entered into the agreement with. The Group did not have any foreign exchange contracts 31 December 2022.

The following of the company's financial instruments are not valued at fair value: cash and cash equivalents, customer receivables, other receivables and long-term debt.

The book value of cash and cash equivalents is virtually the same as fair value due to the fact that these instruments have short maturity dates. Receivables are recognised at amortised cost less expected credit losses.

The Group classifies fair value measurements by using a fair value hierarchy that reflects the significance of the input that is used in preparing the measurements. The fair value hierarchy has the following levels:

Level 1: the input is quoted prices (unadjusted) in an active market for identical assets or liabilities.

Level 2: the input is prices, other than quoted prices included in level 1, that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. calculated from prices).

Level 3: the input to the asset or liability is not based on observable market data (non-observable input).



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

The following table presents the Group's financial assets and liabilities measured at fair value as per 31 December 2022:

(USD 1 000)			
2022	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at fair value over profit or loss			
'- Derivatives held for trading purposes		2 369	
<b>Total assets</b>			
<b>Liabilities</b>			
Financial liabilities at fair value over profit or loss			
'- Derivatives held for trading purposes			
<b>Total liabilities</b>			

During the reporting period, there were no changes in the fair value measurement that involved transfers between level 1 and level 2. Financial assets and liabilities in level 2 are entered in the balance sheet at market value.

The following table presents the Group's financial assets and liabilities measured at fair value as per 31 December 2021:

(USD 1 000)			
2021	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at fair value over profit or loss			
'- Derivatives held for trading purposes			
<b>Total assets</b>			
<b>Liabilities</b>			
Financial liabilities at fair value over profit or loss			
'- Derivatives held for trading purposes		117	
<b>Total liabilities</b>		117	

#### Derivatives

(USD 1 000)	2021		2022	
	Assets	Liabilities	Assets	Liabilities
<b>Total liabilities</b>		117	2 369	
<b>Total book values</b>		117	2 369	

#### (USD 1 000)

Currency	Notional amount USD	Start date	Maturity date	Fixed rate
USD	12 500	March 2022	March 2027	2,19%
USD	12 500	March 2022	March 2027	2,19%
USD	20 000	March 2022	September 2024	2,17%

#### Financial instruments by category

(USD 1 000)			
As at 31 December 2022	At fair value over profit/loss	At amortized cost	Total
<b>Assets</b>			
Customer receivables and other receivables (excl. prepayments)			
Derivatives		2 369	2 369
Cash and cash equivalents		10 525	10 525
<b>Total Assets</b>		10 527	10 527
<b>Liabilities</b>			
Loans		83 036	83 036
Derivatives			
Lease obligation		125	125
Due to suppliers and other debt		3 915	3 915
<b>Total Liabilities</b>		87 076	87 076
<b>As at 31 December 2021</b>			
	At fair value over profit/loss	At amortized cost	Total
(USD 1 000)			
<b>Assets</b>			



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

Customer receivables and other receivables (excl. prepayments)	0	1 915	1 915
Derivatives	0	0	0
Cash and cash equivalents	0	18 982	18 982
<b>Total Assets</b>	<b>0</b>	<b>20 897</b>	<b>20 897</b>
<b>Liabilities</b>			
Loans	0	87 139	87 139
Derivatives	117	0	117
Lease obligation	0	793	793
Due to suppliers and other debt	0	3 512	3 512
<b>Total Liabilities</b>	<b>117</b>	<b>91 444</b>	<b>91 560</b>

## Note 12 Accounts receivables and other current assets

(USD 1 000)

Account receivables and other current assets	2022	2021
Prepaid costs	794	291
Prepaid insurance premiums	171	157
Stocks of luboil, bunkers 1)	296	245
Other current receivables 2)	19 477	1 915
<b>Total</b>	<b>20 736</b>	<b>2 609</b>

1) Stocks of luboil and bunkers are recognized in the balance sheet at cost, using the first-in/first-out method (FIFO).

2) At year-end 2022 the expected credit losses on trade receivables calculated under the simplified expected credit loss model is based on the average historical loss rate for the latest five years of 0.0%, following the fact that NOCC the latest five years has not realised any credit losses on trade receivables. All outstanding trade receivables were not due as per 31. December 2022.

Book value of the Group's Other long-term and current receivables by currency*:	2022	2021
NOK		33
USD	20 441	2 332
<b>Total</b>		<b>2 364</b>

\* Excluding stocks of luboil and bunkers

## Note 13 Cash and cash equivalents

(USD 1 000)

Bank deposits with restrictions (included in cash and cash equivalents)	2022	2021
Tax withholding funds	313	79
Restricted accounts	984	619
<b>Total bank deposits with restrictions</b>	<b>1 297</b>	<b>699</b>

In the cash flow statement, cash and cash equivalents consist of the following:

(USD 1 000)

Cash and cash equivalents (including restricted amounts)	10 525	18 982
<b>Total</b>	<b>10 525</b>	<b>18 982</b>

Amounts held on restricted accounts relate to office lease guarantees, cash held by NOCC Atlantic DIS on a debt service retention account and minimum liquidity.

## Note 14 Share capital and shareholder information

	2022	2021
Total number of shares 1 January	516 071 891	503 571 891
Share reduction	-486 486 486	12 500 000
Total number of shares 31 December	29 585 405	516 071 891
<b>Total shares</b>	<b>29 585 405</b>	<b>516 071 891</b>

The share capital consists of:

	Number of shares	Par Value NOK	Share capital USD
Ordinary shares, share capital	29 585 405	1,85	45 860 460



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

2022: During 2022 the share capital has been decreased by NOK 899 999 999,10. There has been two capital reductions in 2022, the first one 12.05.2022 with NOK 499 999 999,50 and reduction of 270 270 270 shares, registered in the Norwegian register 06.10.22, and the second reduction 25.10.22 NOK 399 999 999,60 and 216 216 216 shares, registered 16.01.23.

As per 31 December 2021 the Company had one shareholder. All shares give the same rights in the Company.

List of shareholders with more than 1% interest:

	Total shares	Interes
Car Carrier Investments AS	29 585 405	100,00%
	29 585 405	



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Note 15 Tax

With effect from 2012 all subsidiaries owning qualifying assets entered the Norwegian tonnage tax regime according to tax code §8-10, where there is a final tax exemption for shipping income. The tax exemption includes operating profit and gain on income. Net financial income will be taxed at the ordinary tax rate of 22%.

In order to qualify for the Norwegian tonnage tax regime, tonnage taxed companies can principally not engage in any business other than charter and operation of owned or chartered vessels.

Norwegian tonnage taxed companies are obliged to pay an annual moderate tonnage tax, based on the net registered tonnage. Tonnage tax is presented as operating cost. See note 4.

Income at entry USD 1 327 893 (NOK 7 391 581) was booked against gain/loss account, and minimum 20% is taxable income per year. Current tax liability of USD 22 148 (NOK 195 097) was recognised as deferred tax in the financial statement. Current years financial result is calculated according to tax code § 8-10 to 8-20.

The applicable tax rate for calculating deferred tax/(deferred tax benefits) was 22% for 2021 and 22% for 2022.

(USD 1 000)

<b>Tax on income as a result of entering the Norwegian tonnage tax regime</b>	<b>2022</b>	<b>2021</b>
Gain account opening balance	93	116
Taxable part of income (20%) at exchange rate USD/NOK year end	19	23
<b>Gain account balance 31 December at USD/NOK exchange rate year end</b>	<b>74</b>	<b>93</b>

Deferred tax on gain account balance	16	20
Tax payable on taxable part at USD/NOK exchange rate year end	4	5
<b>Total deferred tax liabilities and payable tax 31 December</b>	<b>20</b>	<b>25</b>

<b>Basis for other deferred tax / tax benefits</b>	<b>2022</b>	<b>2021</b>
Loss carried forward	-23 999	-27 987

Deferred tax benefits	5 280	6 157
-----------------------	-------	-------

Deferred tax benefit has not been recognized in the balance sheet.

<b>Taxes in the Profit &amp; Loss statement</b>	<b>2022</b>	<b>2021</b>
Tax payable	4	5
Changes in deferred tax (tax benefits)	-4	-5
<b>Total tax (tax income)</b>	<b>0</b>	<b>0</b>

Taxable net financial profit/(loss)	803	-4 571
Tonnage tax	0	62

Deferred tax and deferred tax benefits - ordinary taxed companies	Deferred tax benefit	Change	Deferred tax benefit
	OB 2022	2022	CB 2022
Deferred tax asset/(liability)			
Operating assets	6	-3	3
Receivables and liabilities	-544	544	0
Gains and losses account	-19	5	-14
Pensions	51	-20	31
Other differences	82	-82	0
Loss carried forward	972	-307	665
<b>Net deferred tax asset benefit/(liability)</b>	<b>547</b>	<b>138</b>	<b>685</b>
Of which not recognised	547		685
<b>Deferred tax asset / (liability) in the balance sheet</b>	<b>0</b>	<b>0</b>	<b>0</b>



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

Deferred tax and deferred tax benefits - ordinary taxed companies	Deferred tax benefit	Change	Deferred tax benefit
	OB 2021	2021	CB 2021
<b>Deferred tax asset/(liability)</b>			
Operating assets	-3	9	6
Receivables and liabilities	-506	-39	-544
Gains and losses account	-25	6	-19
Pensions	54	-4	51
Other differences	86	-3	82
Loss carried forward	1 290	-318	972
<b>Net deferred tax asset benefit/(liability)</b>	<b>896</b>	<b>-349</b>	<b>547</b>
Of which not recognised	896	-349	547
Deferred tax asset / (liability) in the balance sheet	0	0	0
(USD 1 000)			
<b>Reconciliation of effective tax rate</b>	<b>2022</b>		<b>2021</b>
Profit/(loss) before tax	56 492		1 262
Tax income calculated on the result before tax	-12 428		-278
Tax effects of:			
- Adjusted tax - tonnage taxed companies	12 104		-119
- Effect of change in tax rate	0		0
- Change in deferred tax benefit, not recognised	537		349
- Permanent differences	0		-240
- Other differences	-213		287
<b>Tax income (expense) in the profit and loss statement</b>	<b>0</b>		<b>0</b>

## Note 16 Debt

2022

### Specification of secured debt

(USD 1 000)

Company	Vessel	Currency	Long-term debt (>1 year)	Short-term debt (< 1 year)	Nominal interest 31 dec 2022	Fixed/floating interest	Maturity
NOCC Shipowning AS	Fleet financing	USD	41 564	6 160	6,58 %	partly fixed	Q1 2027
NOCC Atlantic DIS	NOCC Atlantic AS	USD	12 315	4 400	6,76 %	floating	Q1 2027
<b>Total</b>			<b>53 879</b>	<b>10 560</b>			

As per 31 December 2022, the proportion of fixed rate debt represented 74 % of the interest-bearing debt. The variable proportion of the interestbearing debt have 3 months rollover/repricing dates.

The bank debt facilities contain financial covenants including minimum value clause, adjusted equity, minimum asset coverage and minimum cash and positive working capital. The borrowers were in compliance with all financial covenants in the respective loan agreements on the balance sheet date.

The difference between book-value and actual value of interest bearing debt is immaterial. The debt is measured to be in level 2. See note 15 for description of the level.

### Reconciliation debt to Cash-flow statement

(USD 1 000)

Company	Bank	Currency	Initial amount - BOY	Non-cash changes	Reimbursed principal during the year	Outstanding at year- end
NOCC Shipowning AS	DNB Bank/ Nordea	USD	76 034			47 724
NOCC Atlantic DIS	NIBC	USD	14 643			16 715
Norwegian Car Carriers AS	Lease obligation	NOK	793	522	-142	125
			<b>91 470</b>			<b>64564</b>

By 31 December 2022 the Company had fixed rate debt of USD 45 million of which USD 20 million matures in 2024 and USD 25 million matures in 2027.

By 31 December 2022 the fixed rate portion was 74% of total outstanding interest bearing debt and the fixed rate were on average about 2.18%. Both loans in 1) and 2) has maturity in Q1 2027.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## 2021

### Specification of secured debt (USD 1 000)

Company	Vessel	Currency	Long-term debt (>1 year)	short-tSrm debt (< 1 year)	Nominal interest 31 dec 2021	Fixed/floating interest	Maturity
NOCC Shipowning AS	Fleet financing	USD	71 570	4 464	3,9 %	partly fixed	Nov 2023
NOCC Atlantic DIS	NOCC Atlantic AS	USD	11 983	2 660	4,1 %	floating	June 2023
<b>Total</b>			<b>83 553</b>	<b>7 124</b>			

As per 31 December 2021, the proportion of fixed rate debt represented 39.7% of the interest-bearing debt. The variable proportion of the interest-bearing debt have 3 months rollover/repricing dates.

The bank debt facilities contain financial covenants including minimum value clause, adjusted equity, minimum asset coverage and minimum cash and positive working capital. The borrowers were in compliance with all financial covenants in the respective loan agreements on the balance sheet date.

The difference between book-value and actual value of interest bearing debt is immaterial. The debt is measured to be in level 2. See note 15 for description of the level.

### Reconciliation debt to Cash-flow statement

(USD 1 000)

Company	Bank	Currency	Initial amount - BOY	Non-cash changes	Reimbursed principal during the year	Outstanding at year- end
NOCC Shipowning AS	DNB Bank/ Nordea	USD	146 244	(937)	(69 273)	76 034
NOCC Atlantic DIS	NIBC	USD	16 515	28	(1 900)	14 643
<b>Norwegian Car Carriers AS</b>	<b>Lease obligation</b>	<b>NOK</b>	<b>917</b>	<b>39</b>	<b>(163)</b>	<b>793</b>
			<b>163 676</b>	<b>(870)</b>	<b>(71 336)</b>	<b>91 470</b>

## Note 17 Other current liabilities

USD (1 000)

	2022	2021
Accrued swap interest	22	203
Accrued charter hire	2 240	1 955
Accrued costs	214	489
Other current liabilities	677	0
Due to suppliers	604	1 557
<b>Total</b>	<b>3 757</b>	<b>4 204</b>

## Note 18 Remuneration and fees

(USD 1 000)

	Salary	Other remuneration	Pension cost	Total
Remuneration to senior management 2022				
Olav Sollie, CEO 1)	260	562	20	842
Other members of senior management 2)	327	259	25	611
<b>Total remuneration senior management:</b>	<b>587</b>	<b>821</b>	<b>45</b>	<b>1453</b>

(USD 1 000)

	Salary	Other remuneration	Pension cost	Total
Remuneration to senior management 2021				
Olav Sollie, CEO 1)	271	3	9	283
Other members of senior management 2)	625	8	76	709
<b>Total remuneration senior management:</b>	<b>896</b>	<b>11</b>	<b>85</b>	<b>992</b>

1) Upon termination of the employment contract, the CEO is entitled to receive his base salary, including agreed benefits, during the 6 months notice period plus a compensation equal to 12 months salary.

2) Chief Financial Officer, Director Chartering and Commercial and Technical Director.

The Board of Directors of the Parent company does not receive any compensation. The chairman of the board is not entitled to any bonus or severance pay. Remuneration and fees are denominated in NOK. In the table above, the average USD/NOK exchange rate is used to convert the figures from NOK to USD.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Note 19 Transactions with related parties

All the companies set out in note 20 are related parties to NOCC. Receivables and transactions between consolidated companies are eliminated in the consolidation and not shown in this note.

The Group invoiced management services to Car Carrier Investments AS, the holding company of Norwegian Car Carriers AS, with a total amount of USD 93 302 in 2022 ( USD 96 038 for 2021).

Transactions with related parties are entered into on an arms-length basis and at market terms. Apart from the transactions specified in this note there are no transactions or outstanding amounts of a material nature with related parties.

## Note 20 Subsidiaries

See below the overview of the entities in the Norwegian Car Carriers AS Group:

Name	Country	Ownership/voting rights%	
		2022	2021
<b>Wholly-owned subsidiaries:</b>			
NOCC Shipowning AS	Norway	100 %	100 %
NOCC Atlantic AS	Norway	100 %	100 %
<b>Other subsidiaries:</b>			
NOCC Atlantic DIS	Norway	53,75 %	53,75 %

1) Oslo is the business address for all the subsidiaries.

2) The subsidiary NOCC Finance AS was merged into Norwegian Car Carriers AS in 2022.

## Note 21 Post balance sheet events

On 16 January 2023 a share capital decrease of NOK 400.000.000 was registered in the Norwegian Company Registry (Brønnøysundregistrene) and a dividend payment of USD 18 million paid to the shareholder of the Company on the same day. This dividend was offset against a short term loan of USD 18 million provided from the Company to its shareholder on 11 November 2022.

The Company is Guarantor for a USD 75.6m senior secured term loan dated 15 March 2022 where NOCC Shipowning AS is Borrower. On 7 February 2023 the Guarantor and Borrower entered into an agreement with lenders where lenders consent to waive the four quarterly instalments payable in 2023, each in the amount of USD 1,540,000 and each payable in March 2023, June 2023, September 2023 and December 2023. The quarterly waiver is contingent upon the outstanding Loan does not prior to an Instalment Relief exceed 50% of the Fair Market Value of a Collateral Vessel (measured on a vessel stand-alone basis); The waived instalments to be deferred to the balloon payable on the Final Maturity Date (March 2027). All other terms in the loan agreement to remain unchanged.

On 13 February 2023 the Company paid a dividend of USD 4 million to its shareholder.

On 31 March 2023 NOCC Shipowning AS increased its ownership in NOCC Atlantic DIS from 50.75% to 97% by purchasing 46.25% minority share for USD 15,178,751. NOCC Shipowning AS is 100% owner of NOCC Atlantic AS, which owns the remaining 3% of NOCC Atlantic DIS. This brings the NOCC Shipowning AS' ownership of NOCC Atlantic DIS to an accumulated 100%.

On 31 March 2023 NOCC Shipowning AS was provided with a loan of USD 15,178,751 from Global Meridian Holding Ltd. to fund the acquisition of NOCC Atlantic DIS.

On 31 March 2023 100% of the shares in Norwegian Car Carriers AS was acquired by Autotrans Holding Ltd. (100% wholly owned subsidiary of Global Meridian Holding Ltd.). The entity selling the shares was Car Carriers Investments AS (100% shareholder of Norwegian Car Carriers AS since 2014).

On 4 May 2023 the Company received a dividend of USD 4 million from subsidiary NOCC Shipowning AS. On 4 May 2023 the Company paid a dividend of USD 4 million to its shareholder.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Revenue statement Norwegian Car Carriers AS - Parent Company

OPERATING INCOME AND OPERATING EXPENSES	NOTE	2022	2021
All figs in USD			
Operating income		1 428 223	2 462 749
Other operating income		156 450	0
<b>Total income</b>		<b>1 584 672</b>	<b>2 462 749</b>
Operating expenses			
Salaries and other personnel expenses	2	-1 379 029	-2 979 762
Depreciation	3	-14 250	-90 445
Impairment financial assets		0	0
Other operating expenses		-455 418	-403 347
<b>Total operating expenses</b>		<b>-1 848 697</b>	<b>-3 473 554</b>
<b>Operating profit/(-loss)</b>		<b>-264 024</b>	<b>-1 010 804</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Income from group companies	4	525 173	878 916
Interest income from group companies	4	967 442	863 526
Interest income		6 735	99
Other financial income		2	1 140 704
Net gain/(loss) on foreign exchange		129 025	10 211
Reversal of previously recognised impairment	5	45 846 853	0
Interest expense to group companies		0	54 999
Other financial expenses		-787	-2 201
<b>Net financial items</b>		<b>47 474 443</b>	<b>2 836 256</b>
<b>Profit/(-loss) before tax</b>		<b>47 210 419</b>	<b>1 825 451</b>
<b>Profit/(-loss) after tax</b>		<b>47 210 419</b>	<b>1 825 451</b>



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Balance sheet Norwegian Car Carriers AS - Parent Company

Statement of financial position as at 31 December

All figs in USD

ASSETS	NOTE	2022	2021
<b>LONG-TERM ASSETS</b>			
Other assets		23 155	27 493
<b>FINANCIAL FIXED ASSETS</b>			
Investments in subsidiaries	5	43 758 271	80 916 689
Loans to companies in the same group	4	8 040 813	8 040 813
Investments in shares		183	183
<b>Total financial fixed assets</b>		<b>51 799 267</b>	<b>88 957 685</b>
<b>Total fixed assets</b>		<b>51 822 423</b>	<b>88 985 178</b>
<b>CURRENT ASSETS</b>			
Accounts receivables	6	35 962	0
Receivables on companies in the same group	4	32 608 204	13 824 504
Other receivables	6	70 970	306 861
<b>Total receivables</b>		<b>32 715 136</b>	<b>14 131 365</b>
Cash and cash equivalents	7	755 035	1 282 834
<b>Total current assets</b>		<b>33 470 171</b>	<b>15 414 200</b>
<b>Total assets</b>		<b>85 292 594</b>	<b>104 399 378</b>



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Balance sheet Norwegian Car Carriers AS - Parent Company

EQUITY AND LIABILITIES	NOTE	2022	2021
All figs in USD			
<b>EQUITY</b>			
<b>PAID-IN CAPITAL</b>			
Share capital	8	45 860 460	135 005 907
Share premium reserve	8	18 000 000	39 178 748
Other paid-in capital	8	1 518 231	27 339 483
<b>Total paid equity</b>		<b>65 378 691</b>	<b>201 524 138</b>
Other equity	8	1 026 558	-99 204 289
<b>Total equity</b>		<b>66 405 249</b>	<b>102 319 849</b>
<b>LONG-TERM LIABILITIES</b>			
Pension liability		141 184	230 865
Deferred tax	9	0	0
<b>Total long term liabilities</b>		<b>141 184</b>	<b>230 865</b>
<b>CURRENT LIABILITIES</b>			
Public duties payable		432 237	312 300
Other current liabilities		313 923	1 536 364
<b>Total current liabilities</b>		<b>746 160</b>	<b>1 848 664</b>
Allocated dividend	4	18 000 000	0
<b>Total liabilities</b>		<b>18 887 344</b>	<b>2 079 529</b>
<b>Total equity and liabilities</b>		<b>85 292 594</b>	<b>104 399 378</b>

04.05.2023

The board of Norwegian Car Carriers AS

DocuSigned by:  
*Eirik Ubøe*  
Eirik Ubøe  
chairman of the board

DocuSigned by:  
*Andreas William Hennings*  
Andreas William Hennings  
member of the board



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Norwegian Car Carriers AS Norwegian Car Carriers AS - Parent Company

ALL FIGS IN USD (USD 1 000)	NOTE	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flow from operations		-18 528	-636
Net cash flow from operating activities		-18 528	-636
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Investments in subsidiaries		0	-6 000
Purchase of fixed assets		0	-32
Interest and dividend received		0	1 141
Net cash flows from investment activities		0	-4 891
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of ordinary shares		0	6 000
Dividend received		-83 000	0
Dividend paid		65 000	0
Net cash flows from financing activities		18 000	6 000
<b>Net change in cash and cash equivalents</b>			
Cash and cash equivalents at the start of the period		1 283	810
Cash and cash equivalents at the end of the period		755	1 283
Cash flow from operations			
Result before tax		47 210	1 825
Adjusted for:			
Depreciation		14	90
Reversal impairment subsidiaries and associated companies		45 847	0
Other financial items		0	-1 141
Net foreign exchange items		-129	-10
Change in working capital:			
Customer receivables and other receivables		-18 584	-2 013
Due to suppliers and other short-term debt		-1 193	613
Cash flow from operations		-18 528	-636



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Note 1 ACCOUNTING PRINCIPLES

The office of Norwegian Car Carriers AS is located at Drammensveien 167, Oslo.

### PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of Norwegian Car Carriers AS have been prepared in accordance with the Accounting Act 1998 and generally accepted accounting principles in Norway.

The financial statements have been prepared at historical cost, with the exception of financial instruments, which are measured at fair value.

### Functional currency and presentation currency

The Company's presentation currency as well as the functional currency is USD. The following exchange rates have been applied NOK/USD:

31 December 2021: 8,8088

31 December 2022: 9,8573

### Subsidiaries and associated companies in the Company's financial statements

Except for short term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are provided through capital increases or when group contributions are made to subsidiaries. Dividends and group contributions exceeding the portion of retained earnings after the date of investment are reflected as a reduction in the cost of the investment. Dividends/group contributions from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividends from other companies are reflected as financial income when it has been approved.

### Interests in other limited partnerships

Limited partnership interests that relate to various small investments are entered as financial fixed assets in other enterprises.

### Income recognition

Income on delivery of services is valued at the fair value of the consideration. Services are posted to income in line with execution of the contract.

### Foreign exchange contracts

Foreign exchange contracts are considered to be monetary items and recorded at fair value with changes in market value recorded in the income statement.

### Pension liabilities

The Company is operating a defined benefit-based pension scheme for employees hired on or prior to 31 October 2012. A benefit-based pension scheme defines the employee's right to agreed future pension benefits normally dependent on factors such as age, number of years of service and compensation.

The liability is carried as the present value of pension liabilities on the balance sheet date less the fair value of pension funds allocated for payment of benefits together with corrections for non-recorded estimate differences and costs related to previous periods' pension accrual. The pension liability is calculated annually by independent actuaries, based on a linear earnings model. The present value of the defined benefit obligation is determined by discounting the estimated future cash out flows using the interest rate on covered bonds at the balance sheet date.

For employees hired on or later than 1 November 2012, the Company is operating a defined contribution plan. The contributions are recognized as employee benefit expense when they are due.

### Classification of assets and liabilities

Current assets and short-term liabilities include items that fall due for payment within one year after the balance sheet date. Other items are classified as fixed assets/long-term obligations.

Current assets are valued at the lower of acquisition cost and fair value. Short-term debt is entered in the balance sheet at the nominal amount at the time of establishment.

Fixed assets are valued at acquisition cost written down to fair value if the fall in value is expected to be permanent. Long-term liabilities are entered in the balance sheet at the nominal amount at the time of establishment.

### Short-term investments

Short-term investments (shares and interests valued as current assets) are valued at the lower of average acquisition cost and fair value on the balance sheet date. Dividends received and other distributions from companies are posted to income statement as other financial income.

### Tax

The tax charges in the income statement consist of tax payable and change in deferred tax.

Deferred income tax is provided for with a tax rate of 22%, using the liability method on all temporary differences between the tax base of financial items, their carrying value for financial reporting purposes, as well as any financial tax losses carried forward.

The tax position on all differences between accounting and tax values of assets and liabilities are calculated with a resulting deferred tax or deferred tax asset, with the exception of:

temporary differences related to investments in subsidiaries, associated companies or jointly controlled businesses when the temporary differences will be reversed and this is not expected to happen in the foreseeable future.

The tax increasing and reducing temporary differences that reverse or can reverse in the same periods are netted.

Deferred tax is measured based on the expected future tax rates where temporary differences have arisen, and are entered at nominal value and classified as long-term liabilities in the statement of financial position.

Following a change in the tax legislation in 2005 the tax losses can be carried forward indefinitely.



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

Due to uncertainties whether tax losses carried forward may be utilized within reasonable time, the Company has not recognized any of its deferred tax assets in the balance sheet.

## Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments that can be converted immediately and with no significant price risk to a specific cash amount, and have a maturity date shorter than three months from establishment.

## Note 2 Operating expenses

(USD 1 000)

	2022	2021
Salaries and related costs		
Salaries	994	2 361
Employment tax	339	344
Pension costs	254	231
Other benefits	-208	44
Total salaries and related costs	1 379	2 980

In 2022 the company employed 3,75 man-years.

See note 18 to the Group accounts for further information on remuneration to the CEO.

	2022	2021
Auditor		
Audit fees	28	23
Other attestation services	13	0
Tax	33	0
Total	74	23

Audit fee paid in 2022 relates to the audit performed by Deloitte for the fiscal year 2021.

\*All amounts excluding VAT

## Note 3 fixed assets

(USD 1 000)

2022	Fixtures and fittings
Purchase cost as of 01.01.22	234
- Outflow this year	61
= Acquisition cost 31.12.22	173
Accumulated depreciation 31.12.22	221
= Book value 31.12.22	-48
This year's ordinary depreciations	14

Useful life 3-5 years

(USD 1 000)

2021	Fixtures and fittings
Purchase cost as of 01.01.21	202
- Outflow this year	32
= Acquisition cost 31.12.21	234
Accumulated depreciation 31.12.21	207
= Book value 31.12.21	27
This year's ordinary depreciations	90

Useful life 3-5 years

## Note 4 Receivables and liabilities from group companies

(USD 1 000)

	Long term receivables		Current receivables	
	2022	2021	2022	2021
Group companies	8 041	8 041	32 608	13 825
Total	8 041	8 041	32 608	13 825

(USD 1 000)

	Long term liabilities		Current liabilities	
	2022	2021	2022	2021
Group companies	0	0	18 000	0



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

Total	0	0	18 000	0
-------	---	---	--------	---

All agreements between Group companies are entered into on an arms length basis on market terms.

USD 18 000 000 is set of as dividend to shareholder per 31.12.22, please see note 13 for further information

The following transactions with related parties were reflected in the accounts of the Company:

	2022	2021
Management fees	1 456	2 463
Guarantee fees	525	879
Group interests received	967	864
Group interests paid	0	0
Total	1 493	1 742

Please refer to Note 19 of the Group accounts for further information regarding transactions with related parties.

## Note 5 - Investments in subsidiaries and associated companies

	Registered office	Ownership/voting	Equity	Profit/(loss)	Book value	Dividend	Reversal impairment	Booked value
			01.01.2022	2022	01.01			31.12.2022
Subsidiaries								
NOCC Shipowning AS	Norway	100,00%	80 755	49 195	80 911	-83 000	45 847	43 758
<b>Total investments in subsidiaries</b>			<b>80 755</b>	<b>49 195</b>	<b>80 911</b>	<b>-83 000</b>	<b>45 847</b>	<b>43 758</b>

## Note 6 Receivables and liabilities

(USD 1 000)

Other receivables	2022	2021
Prepaid expenses	5	27
Other receivables	66	270
VAT	0	10
Total other receivables	71	307

## Note 7 Cash and cash equivalents

(USD 1 000)

Restricted cash and deposits	2022	2021
Restricted deposits *)	92	117
Tax deduction funds	313	79
Total cash and restricted deposits	405	197
Other bank deposits	350	1 086
Total cash and cash equivalents	755	1 283

\*) Funds serving as security for office lease obligations



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Note 8 Other equity

(USD 1 000)

	Share capital	Share premium	Other paid-in equity	Other equity	Total equity
Pr. 31.12.2021	135 006	39 179	27 339	-99 204	102 320
Result of the year				47 210	47 210
Dividend		-21 179	-25 821	53 020	6 020
Capital reduction	-51 836		0		-51 836
Capital reduction, not registered	-37 310			0	-37 310
Pr 31.12.2022	45 860	18 000	1 518	1 027	66 405

	Share capital	Share premium	Other paid-in equity	Other equity	Total equity
Pr. 31.12.2020	132 220	35 965	27 339	-101 030	94 494
Result of the year				1 825	1 825
Issue of shares	2 786	3 214			6 000
Pr 31.12.2021	135 006	39 179	27 339	-99 205	102 320

## Note 9 Tax

(USD 1 000)

Calculation of deferred tax asset

Temporary differences	2022	2021
Operating assets	13	25
Receivables	-3 067	-2 475
Gain and loss account	-62	-87
Pensions	140	231
Other differences	29	375
Net temporary differences	-2 947	-1 931
Loss carried forward	3 022	4 416
Basis for deferred tax asset	75	2 485
22% (22%) deferred tax	16	547
Of which non-capitalised deferred tax benefit	-16	-547
Deferred tax benefit in the balance sheet	0	0
Basis for tax charge, change in deferred tax and tax payable:		
	2 022	2 021
Result before tax	47 210	1 825
Result difference currency	-27 356	599
	19 854	2 424
Non-deductible expenses/income	-17 780	-1 091
Basis of year's tax charge	2 074	1 333
Changes in temporary differences	-2 136	-198
Basis for tax payable in the profit and loss account	-62	1 136
Taxable income	-62	1 136
Specification of tax charge:		
<b>The tax charge for the year is specified as follows:</b>	<b>2022</b>	<b>2021</b>
Tax payable on the result for the year	14	-250
Tax effect on change in deferred loss brought forward	-14	250
Total tax payable	0	0
Change in deferred tax	0	0
<b>Tax income/(expense)</b>	<b>0</b>	<b>0</b>
Explanation why the tax for the year differ from 22% (22%) of profit before tax:		
<b>The tax charge for the year is specified as follows:</b>	<b>2022</b>	<b>2021</b>
22% (22%) tax income/(-expense) before tax	-4 368	-533
Tax effect non-deductible expenses	3 912	240
Tax effect change in temporary differences	470	43
Tax effect on Group contribution	0	0
Change in non-capitalised deferred tax asset	-14	250
<b>Tax income/(expense) in the profit and loss statement</b>	<b>0</b>	<b>0</b>



DocuSign Envelope ID: B54C4B0E-4ACC-4FF6-A1F3-9EB6D74B15D7

## Note 10 Shareholders

The share capital in Norwegian Car Carriers AS as of 31.12.2022 consist of

The Company has provided guarantees for the following Group companies:

	Total	Face Value	Entered
Ordinary shares	29 585 405	1,85	45 860 460

Ownership structur

The largest shareholders in % at year end:

	Ordinary	Owner interes	Share of votes
Car Carrier Investments AS	29 585 405	100,0	100,0

## Note 11 Pensions

The company is obliged to provide a service pension scheme under the Norwegian Mandatory Service Pensions Act.

The scheme gives rights to certain future benefits. For employees hired prior to 31 October 2012, the pension scheme is based on a defined benefit plan and the pension will depend on the number of years of employment, the salary level at retirement and the amount of contribution from the Social Security system. The obligation is covered through Storebrand Livsforsikring. For employees hired on 1 November 2012 or later, the pension scheme is based on a defined contribution plan and the pension will depend on the contribution and the return on the contribution up until retirement as well as the contribution from the Social Security system.

Remeasurement costs/-income is recorded in the Income statement in the Financial statements of the parent company, and according to IFRS taken over OCI in the Group accounts. There is otherwise no difference in the pension liabilities between the parent company and the Group, reference is made to note 5 in the Group accounts.

Norwegian Car Carriers AS present its consolidated accounts in accordance with IFRS. Norwegian accounting standard 6A gives the parent company the right to apply IAS 19R in the parent company's accounts when these are presented in accordance with Norwegian accounting standards.

IAS 19R was in the Group accounts implemented over OCI, with retrospective effect back to 2012. This effect was in the accounts of the parent company booked against Other Equity.

There are no other material differences between the treatment of changes in accounting principles between group accounts and parent company. Please refer to the Group accounts for comparable figures related to change of principles.

## Note 12 Guarantee liabilities

(USD 1 000)

The Company has provided guarantees for the following Group companies:

		Currency	Amount
NOCC Shipowning AS	Fleet loan	USD	227 000
Liability for uncalled capital in limited liability subs	NOCC Atlantic	USD	4 031

## Note 13 Post balance sheet events

On 7 February 2023 the Company (as Guarantor for a loan facility in NOCC Shipowning AS) entered into an agreement with lenders where lenders consent to waive the four quarterly instalments payable in 2023, each in the amount of USD 1,540,000 and each payable in March 2023, June 2023, September 2023 and December 2023. The quarterly waiver is contingent upon the outstanding Loan does not prior to an Instalment Relief exceed 50% of the Fair Market Value of a Collateral Vessel (measured on a vessel stand-alone basis); The waived instalments to be deferred to the balloon payable on the Final Maturity Date (March 2027). All other terms in the loan agreement to remain unchanged.

At year-end, the company made a short term loan of USD 18 million to the Parent Company, Car Carrier Investments AS. The company had resolved to pay a dividend of USD 18 million in October 2022, when a share capital reduction of approximately USD 37,310 million was registered in Brønnøysund Register Centre. This reduction was registered on 16 January 2023 and the dividend of USD 18 million was paid and the short term loan of USD 18 million was repaid to the company.



# Deloitte.

Deloitte AS  
Dronning Eufemias gate 14  
Postboks 221 Sentrum  
NO-0103 Oslo  
Norway

Tel: +47 23 27 90 00  
www.deloitte.no

To the General Meeting of Norwegian Car Carriers AS

## INDEPENDENT AUDITOR'S REPORT

### Opinion

We have audited the financial statements of Norwegian Car Carriers AS, which comprise:

- The financial statements of the parent company Norwegian Car Carriers AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Norwegian Car Carriers AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

### Basis for Opinion

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

### Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTL and each DTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTL does not provide services to clients. Please see [www.deloitte.no](http://www.deloitte.no) to learn more.

© Deloitte AS

Registrert i Foretaksregisteret Medlemmer av Den norske Revisorforening  
Organisasjonsnummer: 980 211 282

Penneo Dokumenttjekk: 7LJUO-QICNF-W36KI-ZOW4V-M7JU-1CPM1



## Deloitte.

side 2  
Independent Auditor's Report -  
Norwegian Car Carriers AS

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

### *Responsibilities of Management for the Financial Statements*

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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.
- 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 and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 and 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 Company and the Group to cease to continue as a going concern.
- 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 a true and fair view.
- 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.

Perneo Dokumenttjeneste: 7LJUO-QICNF-W366F-ZOW4V-M7JU-1CPM1



**Deloitte.**

side 3  
Independent Auditor's Report -  
Norwegian Car Carriers AS

We communicate with the Board of 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.

Oslo, 4 May 2023  
Deloitte AS

Reidar Ludvigsen  
State Authorised Public Accountant

Penneo Dokument ID: 7LJUO-QICNF-W36Kf-ZOW4V-M7JU-1CPM1



# 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."

## Reidar Ludvigsen

Statsautorisert revisor

Serienummer: 9578-5997-4-1501479

IP: 217.173.xxx.xxx

2023-05-05 13:09:35 UTC



Penneo Dokumentnøkkel: 7LJ0O-QICNF-W36Kf-ZOW4V-M7JLJ-1CPM1

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/validator>