

Financial Statements 2017

Gram Car AS

Org.no.: 919 422 793

Gram Car AS

Profit and loss account

All figures in USD

	Note	2017
OPERATING INCOME AND EXPENSES		
Start-up expenses	2	256 377
Administrative expenses	3, 4	<u>38 669</u>
Operating expenses		295 046
Net operating profit / loss		<u>-295 046</u>
FINANCIAL INCOME AND EXPENSES		
Other interest income		<u>3</u>
Financial income		3
Other interest expenses	9	173 250
Currency loss		2 099
Other financial expenses		<u>10 107</u>
Financial expenses		185 456
Net financial profit / loss		<u>-185 454</u>
Operating result before tax		<u>-480 500</u>
Operating result after tax		-480 500
NET PROFIT / LOSS		<u>-480 500</u>
Attributable to		
Transferred to uncovered loss	7	<u>480 500</u>
Total		480 500

Gram Car AS

Balance sheet

All figures i USD

	Note	2017
ASSETS		
NON-CURRENT ASSETS		
Tangible assets		
Investments in subsidiaries	5	33 936 510
Total financial assets		<u>33 936 510</u>
Total non-current assets		<u>33 936 510</u>
CURRENT ASSETS		
Receivables		
Receivables group companies		440 920
Other current receivables		27 661
Total receivables		<u>468 581</u>
Cash and cash equivalents		2 007 380
Total current assets		<u>2 475 961</u>
TOTAL ASSETS		<u>36 412 471</u>

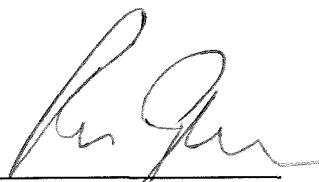
Gram Car AS


Balance sheet

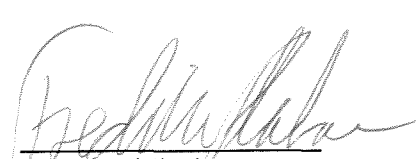
All figures i USD

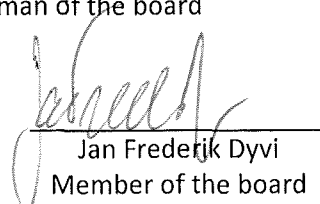
	Note	2017
EQUITY AND LIABILITIES		
EQUITY		
Paid-in equity		
Share capital	6, 7	24 582
Share premium		<u>15 874 719</u>
Total paid-in equity		15 899 302
Retained earnings		
Uncovered loss		<u>-480 500</u>
Total retained earnings		-480 500
Total equity	7	<u>15 418 802</u>
LIABILITIES		
Other non-current liabilities		
Bond loans		<u>20 795 833</u>
Total other non-current liabilities		20 795 833
Current liabilities		
Accounts payable		24 586
Other current liabilities		<u>173 250</u>
Total current liabilities		197 836
Total liabilities		<u>20 993 669</u>
TOTAL EQUITY AND LIABILITIES		<u>36 412 471</u>

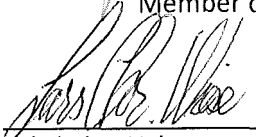
Oslo, 15.03.2018
The board of Gram Car AS


Peter Dybwad Gram
Chairman of the board


Thorbjørn Fjærtøft Pedersen
Member of the board


Fredrik Platou
Member of the board


Jan Frederik Dyvi
Member of the board


Lars Christian Uchermann Wiese
Member of the board

Gram Car AS

Notes

Note 1 Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

The company was established 31.07.2017.

Foreign currency

Monetary foreign currency items are valued at the exchange rate on the balance sheet date.

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 23 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

The shipowners tax regulation

The Company pay taxes in accordance with the shipowners tax regulation. The Company will only be liable to pay taxes of the financial income. The tax expense consists of the tax payable for the period and payable tonnage tax.

Classification and valuation of current assets

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

Shares in subsidiaries

Subsidiaries are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Gram Car AS

Notes

Note 2 Start-up expenses

	2017
Arrangement fee	331 195
Total	331 195
Whereof capitalized	-74 818
Total	256 377

Note 3 - Number of employees, remunerations, audit fee etc.

The company has no employees.

There are recorded remuneration to the board with NOK 0 in 2017.

Audit

The audit fee expense for 2017 amounts to NOK 0, whereof NOK 0 is remuneration for other advisory services.

Note 4 - Administrative expenses

	2017
Corporate management fee	19 342
Travel expenses	11 080
Other administrative expenses	8 247
Total administrative expenses	38 669

Note 5 Subsidiaries, associates, joint ventures

	Municipa- lity	Owner share	Equity	Profit
SBS/AS/JV				
Arabian Sea AS	OSLO	100,0%	16 754 624	-183 349
Mediterranean Sea AS	OSLO	100,0%	16 626 731	-293 911
Total			33 381 355	-477 260

Gram Car AS

Notes

Note 6 Shareholders

The share capital in Gram Car AS as of 31.12 consists of:

	Total	Face value	Entered
Ordinary shares	100 000	0,25	24 582
Total	100 000		24 582

Ownership structure

Shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Canomaro Shipping AS	20 000	20,0	20,0
Premium Maritime Fund II AS	20 000	20,0	20,0
Songa Investments AS	20 000	20,0	20,0
Glenrinnes Farms Ltd.	12 600	12,6	12,6
Dyvi Invest AS	8 500	8,5	8,5
Patronia AS	6 400	6,4	6,4
JLI Sweden AB	3 200	3,2	3,2
Seahorse Norway AS	3 200	3,2	3,2
Lauterjung Shipmanagement G...	2 500	2,5	2,5
Compton Investments Ltd	1 600	1,6	1,6
Albatross Investment AS	1 000	1,0	1,0
Gram Car Carriers AS	1 000	1,0	1,0
Total number of shares	100 000	100,0	100,0

Shares and options owned by the Directors of the Board and the General Manager:

Name	Position	Ordinary
Lars Christian Uchermann Wiese	Member of the board	6 400
Jan Frederik Dyvi	Member of the board	8 500

*Share ownership is disclosed when shares are directly and indirectly owned (owns or controls more than 50 %). Share ownership is disclosed based on the ownership of the shareholders.

Note 7 - Equity

	Share capital	Share premium	Other equity	Total equity
Incorporation 31.07.2017	3 774			3 774
Incorporation costs			-699	-699
Capital decrease 06.11.2017	-3 774			-3 774
Capital increase 06.11.2017	12 291	3 487 709		3 500 000
Capital increase 24.11.2017	12 291	12 387 709		12 400 000
Result for the year			-480 500	-480 500
Equity as of 31.12.2017	24 582	15 875 418	-481 199	15 418 801

Gram Car AS

Notes

Note 8 Tax base deferred tax shipping

	2017
Taxable result	-10 699
Deferred taxable loss	0
Net tax result of the year	-10 699
Tax payable	0
Nominal tax - 24 %	
Tax on ordinary result	
Tax payable	0
Tax on ordinary result	0
This year taxes includes	
Tax payable	0
Total	0
Accumulated loss to be brought forward	-10 699
Not included in the deferred tax calculation	10 699
Basis for calculation of deferred tax	0
Deferred tax (23%)	0

Deferred tax is not booked to the balance sheet

Gram Car AS

Notes

Note 9 Other long-term liabilities

Debt that falls due more than five years after the balance sheet date: **2017**

Bond loan	21 000 000
Capitalized borrowing cost	-204 167
Total other long-term debt	20 795 833

Average interest rate **2017**

Bond loan 9%

Maturity date of the bond loan is 28 November 2020.

The bond loan has quarterly interest payments, with first falling due 28.02.2018.

The loan agreement contain covenants that Gram Car AS (including subsidiaries) shall at all times have a minimum cash balance of USD 1 000 000 from 28 November 2017 to 27 November 2018 and USD 1 500 000 from 28 November 2018 to 28 November 2020.

The company satisfies all conditions of the loan agreements at 31 December 2017.

Borrowing cost is presented net with the loan and is amortised until maturity of the loan.

The vessels Arabian Sea and Mediterranen Sea are mortgaged as security for the Bond Loan.

Note 10 - Off-balance sheet items

The company has entered into a corporate management agreement with NRP Procurator AS.

Translation from the original Norwegian version

To the General Meeting of Gram Car AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gram Car AS showing a loss of USD 480 500. The financial statements comprise the balance sheet as at 31 December 2017, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2017, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (*ISAE*) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 19 March 2018
Deloitte AS

Alf-Anton Eid

State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

Translation from the original Norwegian version

To the General Meeting of Mediterranean Sea AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mediterranean Sea AS showing a loss of USD 293 911. The financial statements comprise the balance sheet as at 31 December 2017, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2017, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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Oslo, 19 March 2018
Deloitte AS

Alf-Anton Eid

State Authorized Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

Translation from the original Norwegian version

To the General Meeting of Arabian Sea AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arabian Sea AS showing a loss of USD 183 349. The financial statements comprise the balance sheet as at 31 December 2017, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2017, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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Oslo, 19 March 2018
Deloitte AS

Alf-Anton Eid

State Authorised Public Accountant (Norway)

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