

Semi-annual accounts 2018

Mediterranean Sea AS

Org.no.: 919 778 296

Profit and loss account

All figures in USD

	Note	30.06.2018
OPERATING INCOME AND EXPENSES		
Operating income	2	<u>1 826 395</u>
Operating income		1 826 395
Administrative expenses	3, 4	118 271
Operating expenses	5	784 584
Depreciation and amortisation expenses	6	483 528
Other operating expenses		<u>99 620</u>
Operating expenses		1 486 003
Net operating profit / loss		<u>340 392</u>
FINANCIAL INCOME AND EXPENSES		
Currency loss		<u>2 626</u>
Financial expenses		2 626
Net financial profit / loss		<u>-2 626</u>
Operating result before tax		<u>337 766</u>
Operating result after tax		337 766
NET PROFIT / LOSS	9	<u>337 766</u>

Balance sheet

All figures in USD

	Note	30.6.2018	31.12.2017
ASSETS			
Tangible assets			
Vessel	10	15 800 496	16 184 080
Docking	6	303 670	403 615
Total tangible assets		<u>16 104 166</u>	<u>16 587 695</u>
Total non-current assets		<u>16 104 166</u>	<u>16 587 695</u>
CURRENT ASSETS			
Inventories			
Bunkers and lubes		<u>79 163</u>	<u>55 425</u>
Total inventories		<u>79 163</u>	<u>55 425</u>
Receivables			
Accounts receivables		60	244 494
Receivables group companies	7	1 833	0
Other current receivables		<u>33 918</u>	<u>6 505</u>
Total receivables		<u>35 810</u>	<u>250 999</u>
Bank deposit		1 012 881	165 048
Cash and cash equivalents		1 012 881	165 048
Total current assets		<u>1 127 854</u>	<u>471 472</u>
TOTAL ASSETS		<u>17 232 021</u>	<u>17 059 166</u>

Balance sheet

All figures in USD

	Note	30.6.2018	31.12.2017
EQUITY AND LIABILITIES			
EQUITY			
Paid-in equity			
Share capital	8	7 276	3 642
Share premium		16 913 366	0
Decided increase in share capital, not registered		0	16 917 000
Total paid-in equity		<u>16 920 642</u>	<u>16 920 642</u>
Retained earnings			
Other equity		43 855	0
Uncovered loss		0	-293 911
Total retained earnings		<u>43 855</u>	<u>-293 911</u>
Total equity	9	<u>16 964 497</u>	<u>16 626 731</u>
LIABILITIES			
Current liabilities			
Liabilities to group companies		0	223 954
Accounts payable		132 391	84 609
Tax payable		2 400	2 400
Other current liabilities		132 734	121 471
Total current liabilities		<u>267 525</u>	<u>432 435</u>
Total liabilities		<u>267 525</u>	<u>432 435</u>
TOTAL EQUITY AND LIABILITIES		<u>17 232 022</u>	<u>17 059 166</u>

Notes

Note 1 Accounting principles

The accounts have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles for Small Companies. The accounting principles are described below. The company was established 05.10.2017.

Currency

The financial statements are presented in USD. Transactions in another currency are translated at the rate applicable on the transaction date. Monetary items in another currency are translated into USD using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in another currency are translated into USD using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in another currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Operating income

Sales revenue are recognized upon delivery. Revenue from services are recognized upon performance.

Balance sheet classification

Current assets and liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as tangible assets / non-current liabilities.

Current assets are valued at the lower of cost and fair value. Current liabilities are recognized at nominal value. Long term debt are recognized at nominal value and will not be adjusted to marked value due to changes in interest rate.

Tangible assets

Tangible assets are comprised of assets intended for long term ownership and use, and are valued at cost less depreciation and impairment losses. Tangible assets are recorded in the balance sheet and depreciated over the estimated useful economic life. Tangible assets are written down to the recoverable amount when a decrease in value is expected to be permanent. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Impairment loss recognized is reversed when the basis for the impairment loss is no longer evident.

Inventories

Inventories are valued at the lower of cost and net sales value.

Receivables

Accounts receivables and other receivables are recorded in the balance sheet at nominal value less a provision for doubtful accounts. Provision for doubtful accounts is determined on the basis of an assessment of individual receivables.

Notes

Note 2 Income

	30.06.2018
Charter income	1 880 270
Total	1 880 270

The company acquired M/V Mediterranean Sea with delivery on December 20, 2017.

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

The company has no employees.

There are no recorded remuneration to the board as per 30.06.2018

Audit

The audit fee expense as per 30.06.2018 amounts to USD 0 excl. VAT.

Additional fees for other services rendered amounts to USD 0 excl. VAT.

Note 4 Administrative expenses

	30.06.2018
Corporate management fee	12 234
Commercial management fee	38 100
Technical management fee	65 000
Legal fees	2 032
Other administrative expenses	905
Total administrative expenses	118 271

Notes

Note 5 Operating expenses

	30.06.2018
Fixed operating expenses	
- crew expenses	450 390
- technical operation / insurance etc.	334 194
Total fixed operating expenses	784 584
Total operating expenses	784 584

Technical management fee is presented as administration expenses and the fee as of 30.06.2018 is USD 65 000.

Operating expenses, incl. tech.mng.fee 849 584

Fixed Operating expenses for M/V Mediterranean Sea have been USD 4 694 per day (budget 5 047 per day).

Notes

Note 6 Tangible assets

	Vessel	Docking	Total
Acquisition cost 01.01.2018	16 207 200	409 639	16 616 839
Acquisitions			0
Disposals	0	0	0
Acquisition cost 30.06.2018	16 207 200	409 639	16 616 839
Acc. depreciation 30.06.2018	-406 703	-105 969	-512 672
Acc. impairment 30.06.2018	0	0	0
Net value 30.06.2018	15 800 497	303 670	16 104 167
	Vessel	Docking	Total
Impairment for the period	0	0	0
Depreciations for the period	383 583	99 945	483 528
Depreciation rate	5,56 %	48,8 %	
Depreciation schedule	Linear	Linear	
Estimated depreciation (years)	25		
Closing date	20.12.2017		

Note 7 Inter-company items between companies in the same group

	30.06.2018
Other short-term receivables within the group	1 833
Total	0

Note 8 Shareholders

The share capital in Mediterranean Sea AS as of 30.06 consists of:

	Total	Face value	Entered
Ordinary shares	30 000	0,24	7 276
Total	30 000		7 276

Ownership structure

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Gram Car AS	30 000	100,0	100,0
Total number of shares	30 000	100,0	100,0

Notes

Note 9 Equity

	Share capital	Share premium	Total equity
Equity as of 01.01.2018	7 276	16 619 455	16 626 731
Result for the year		337 766	337 766
Equity as of 30.06.2018	7 276	16 957 221	16 964 497

Note 10 Charges and guarantees

The vessel M/V Mediterranean Sea is mortgaged as security for Gram Car AS' Bond Loan.

Note 11 Off-balance sheet items

The company has entered into a ship management agreement with Lauterjung Shipmanagement GmbH Co. KG, a commercial management agreement with Gram Car Carriers AS and a corporate management agreement with NRP Procurator AS.