

# Semi-annual accounts 2018

Arabian Sea AS

Org.no.: 919 779 225

Profit and loss account

All figures in USD

|  | Note | 30.06.2018       |
|--|------|------------------|
| OPERATING INCOME AND EXPENSES          |      |                  |
| Operating income                       | 2    | <u>2 044 102</u> |
| Operating income                       |      | 2 044 102        |
| Administrative expenses                | 3, 4 | 121 861          |
| Operating expenses                     | 5    | 890 527          |
| Depreciation and amortisation expenses | 6    | 481 800          |
| Other operating expenses               |      | <u>144 510</u>   |
| Operating expenses                     |      | 1 638 697        |
| Net operating profit / loss            |      | <u>405 405</u>   |
| FINANCIAL INCOME AND EXPENSES          |      |                  |
| Currency loss                          |      | <u>2 760</u>     |
| Financial expenses                     |      | 2 760            |
| Net financial profit / loss            |      | <u>-2 760</u>    |
| Operating result before tax            |      | <u>402 645</u>   |
| Operating result after tax             |      | 402 645          |
| NET PROFIT / LOSS                      |      | <u>402 645</u>   |

Balance sheet

All figures in USD

|                           | Note  | 30.6.2018         | 31.12.2017        |
|---------------------------|-------|-------------------|-------------------|
| <b>ASSETS</b>             |       |                   |                   |
| Tangible assets           |       |                   |                   |
| Vessel                    | 6, 10 | 15 705 578        | 16 087 351        |
| Docking                   | 6     | <u>358 180</u>    | <u>458 207</u>    |
| Total tangible assets     |       | <u>16 063 758</u> | <u>16 545 558</u> |
|                           |       |                   |                   |
| Total non-current assets  |       | <u>16 063 758</u> | <u>16 545 558</u> |
|                           |       |                   |                   |
| <b>CURRENT ASSETS</b>     |       |                   |                   |
| Inventories               |       |                   |                   |
| Bunkers and lubes         |       | <u>71 212</u>     | <u>55 053</u>     |
| Total inventories         |       | <u>71 212</u>     | <u>55 053</u>     |
|                           |       |                   |                   |
| Receivables               |       |                   |                   |
| Accounts receivables      |       | 0                 | 328 653           |
| Other current receivables |       | <u>67 866</u>     | <u>26 291</u>     |
| Total receivables         |       | <u>67 866</u>     | <u>354 944</u>    |
|                           |       |                   |                   |
| Bank deposit              |       | 1 358 583         | 209 201           |
| Cash and cash equivalents |       | 1 358 583         | 209 201           |
|                           |       |                   |                   |
| Total current assets      |       | <u>1 497 661</u>  | <u>619 198</u>    |
|                           |       |                   |                   |
| <b>TOTAL ASSETS</b>       |       | <u>17 561 418</u> | <u>17 164 755</u> |

## Balance sheet

All figures in USD

|   | Note | 30.6.2018         | 31.12.2017        |
|---|------|-------------------|-------------------|
| <b>EQUITY AND LIABILITIES</b>                     |      |                   |                   |
| <b>EQUITY</b>                                     |      |                   |                   |
| Paid-in equity                                    |      |                   |                   |
| Share capital                                     | 8    | 7 381             | 3 768             |
| Share premium                                     |      | 16 930 592        | -695              |
| Decided increase in share capital, not registered |      | <u>0</u>          | <u>16 934 900</u> |
| Total paid-in equity                              |      | <u>16 937 972</u> | <u>16 937 972</u> |
| Retained earnings                                 |      |                   |                   |
| Other equity                                      |      | 219 296           | 0                 |
| Uncovered loss                                    |      | <u>0</u>          | <u>-183 349</u>   |
| Total retained earnings                           |      | <u>219 296</u>    | <u>-183 349</u>   |
| Total equity                                      | 9    | <u>17 157 268</u> | <u>16 754 624</u> |
| <b>LIABILITIES</b>                                |      |                   |                   |
| Current liabilities                               |      |                   |                   |
| Liabilities to group companies                    | 7    | 2 680             | 216 965           |
| Accounts payable                                  |      | 131 504           | 77 478            |
| Tax payable                                       |      | 3 354             | 3 354             |
| Public duties payable                             |      | 318               | 0                 |
| Other current liabilities                         |      | <u>266 295</u>    | <u>112 334</u>    |
| Total current liabilities                         |      | <u>404 151</u>    | <u>410 132</u>    |
| Total liabilities                                 |      | <u>404 151</u>    | <u>410 132</u>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>               |      | <u>17 561 420</u> | <u>17 164 755</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 accounts 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 | 2 044 102  |
| Total          | 2 044 102  |

The company acquired M/V Arabian Sea with delivery on December 4, 2017.

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

The company has no employees.

There are no recorded remuneration to the board as of 30.06.2018

### Audit

The audit fee expense as of 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     | 42 159     |
| Technical management fee      | 65 000     |
| Legal fees                    | 1 618      |
| Other administrative expenses | 849        |
| Total administrative expenses | 121 861    |

Notes

Note 5 Operating expenses

|  | 30.06.2018 |
|--|------------|
| Bunker                                 | 42 524     |
| Fixed operating expenses               |            |
| - crew expenses                        | 505 528    |
| - technical operation / insurance etc. | 342 474    |
| Total fixed operating expenses         | 848 002    |
| Total operating expenses               | 890 526    |

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 | 955 526 |
|--|---------|

Fixed Operating expenses for M/V Arabian Sea have been USD 5 044 per day (budget 5 047 per day).

Note 6 Tangible assets

|                              | Vessel     | Docking  | Total      |
|------------------------------|------------|----------|------------|
| Acquisition cost 01.01.2018  | 16 143 833 | 473 006  | 16 616 839 |
| Acquisitions                 |            |          | 0          |
| Disposals                    | 0          | 0        | 0          |
| Acquisition cost 30.06.2018  | 16 143 833 | 473 006  | 16 616 839 |
| Acc. depreciation 30.06.2018 | -438 255   | -114 826 | -553 081   |
| Acc. impairment 30.06.2018   | 0          | 0        | 0          |
| Net value 30.06.2018         | 15 705 578 | 358 180  | 16 063 758 |

|                                | Vessel     | Docking | Total   |
|--------------------------------|------------|---------|---------|
| Impairment for the period      | 0          | 0       | 0       |
| Depreciations for the period   | 381 773    | 100 027 | 481 800 |
| Depreciation rate              | 5,56 %     | 49,29 % |         |
| Depreciation schedule          | Linear     | Linear  |         |
| Estimated depreciation (years) | 25         |         |         |
| Closing date                   | 04.12.2017 |         |         |

## Arabian Sea AS

---

### Notes

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

|                              |            |
|------------------------------|------------|
|                              | 30.06.2018 |
| Other short-term liabilities | 2 680      |
| Total                        | 2 680      |

Note 8 Shareholders

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

|                 | Total  | Face value | Entered |
|-----------------|--------|------------|---------|
| Ordinary shares | 30 000 | 0,25       | 7 381   |
| Total           | 30 000 |            | 7 381   |

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          |

Note 9 Equity

|                         | Share capital | Share premium | Total equity |
|-------------------------|---------------|---------------|--------------|
| Equity as of 01.01.2018 | 7 381         | 16 747 243    | 16 754 624   |
| Result for the year     |               | 402 645       | 402 645      |
| Equity as of 30.06.2018 | 7 381         | 17 149 888    | 17 157 269   |

Note 10 Charges and guarantees

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



### Notes

#### 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.