

 Legally signed by
Fredrik Platou
27.03.2020

 Legally signed by
Wilhelm Chr. Magelssen
27.03.2020

 Legally signed by
Jan Frederik Dyvi
27.03.2020

 Legally signed by
Peter D. Gram
27.03.2020

 Legally signed by
Lars Christian U Wiese
27.03.2020

Financial Statements 2019

Arabian Sea AS

Org.no.: 919 779 225

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Profit and loss account

All figures in USD

	Note	2019	2018
Operating income and operating expenses			
Operating income	2	3 747 726	4 312 933
Operating income		<u>3 747 726</u>	<u>4 312 933</u>
Administrative expenses	4	427 035	442 030
Operating expenses	5	1 540 141	1 782 881
Depreciation and amortisation expenses	6	1 039 588	963 600
Total operating expenses		<u>3 006 764</u>	<u>3 188 512</u>
Net operating profit / loss		<u>740 962</u>	<u>1 124 421</u>
Financial income and expenses			
Currency gain		12 655	717
Financial income		<u>12 655</u>	<u>717</u>
Other interest expenses		75	9
Currency loss		6 995	7 753
Financial expenses		<u>7 070</u>	<u>7 761</u>
Net financial profit / loss		<u>5 585</u>	<u>-7 044</u>
Ordinary result before tax		746 547	1 117 377
Tax on ordinary result	9	1 570	23 227
Ordinary result after tax		<u>744 977</u>	<u>1 094 150</u>
Net profit / loss		<u>744 977</u>	<u>1 094 150</u>
Attributable to			
Transferred to other equity		744 977	1 094 150
Total	8	<u>744 977</u>	<u>1 094 150</u>

Balance

All figures in USD

	Note	2019	2018
Assets			
Non-current assets			
Tangible assets			
Vessels		17 693 000	15 697 799
Docking		1 155 593	258 153
Total tangible assets	6	<u>18 848 593</u>	<u>15 955 952</u>
Financial assets			
Total non-current assets		<u>18 848 593</u>	<u>15 955 952</u>
Current assets			
Inventories			
Bunkers and lubes		53 129	74 194
Total inventories		<u>53 129</u>	<u>74 194</u>
Receivables			
Accounts receivables		0	12 373
Receivables group companies		26 762	0
Other current receivables		164 533	64 024
Total receivables		<u>191 295</u>	<u>76 397</u>
Bank deposit			
Bank deposit		199 205	2 691 965
Cash and cash equivalents		<u>199 205</u>	<u>2 691 965</u>
Total current assets		<u>443 629</u>	<u>2 842 556</u>
Total assets		<u>19 292 222</u>	<u>18 798 508</u>

Balanse

All figures in USD

	Note	2019	2018
Equity and liabilities			
Equity			
Paid-in equity			
Share capital	7	10 800	7 381
Share premium		14 939 172	7 953 208
Total paid-in equity	8	14 949 972	7 960 588
Retained earnings			
Other equity		1 839 127	910 778
Uncovered loss		-183 349	0
Total retained earnings	8	1 655 778	910 778
Total equity	8	16 605 750	8 871 366
Liabilities			
Current liabilities			
Liabilities to group companies		398 268	8 977 384
Accounts payable		726 097	324 818
Tax payable	9	1 570	23 227
Public duties payable		-31	0
Other current liabilities		1 560 567	601 712
Total current liabilities		2 686 472	9 927 141
Total liabilities		2 686 472	9 927 141
Total equity and liabilities		19 292 222	18 798 508

18.03.2020

The board of Arabian Sea AS

Peter Dybwad Gram
chairman of the board

Fredrik Platou
member of the board

Jan Frederik Dyvi
member of the board

Lars Christian Uchermann Wiese
member of the board

Wilhelm Christian Magelssen
member of the board

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.

Currency

The accounts are presented in USD which is the Company's functional currency. Transactions in another currency (those other than functional currency) are translated at the foreign exchange rate at the dates of the transactions. Monetary items in another currency are translated into USD using the foreign exchange rate at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign 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 revenues

Income from the sale of goods is recognised on the date of delivery. Services are recognised as income as they are delivered.

Tonnage tax regime

The company pay taxes in accordance with the Norwegian tonnage tax regime. This implies that shipping income is exempt from ordinary taxation, while finance income is subject to ordinary tax rules and tax rates. The company is subject to a tonnage tax on the basis of the net tonnage of the vessels owned by the company instead of ordinary income tax on shipping income.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Fixed assets

Fixed assets are capitalised and appreciated over the economic lifetime of the asset. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date. Fixed assets are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Previous impairment charges are reversed in later periods if the conditions causing the write-down are no longer present.

Inventories

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

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.

Note 2 Income

	2019	2018
Charter income	3 747 726	4 312 933
Total	3 747 726	4 312 933

The company purchased M/V Arabian Sea 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 in 2019

Pension obligations

The company is not obliged to have a pension fund for the employees according to the Obligatory Pension Insurance Act (OTP).

Audit

The audit fee expense for 2019 amounts to USD 4 673 excl. VAT.

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

Note 4 Administrative expenses

	2019	2018
Corporate management fees	25 361	24 809
Audit fees	4 673	2 165
Legal fees	441	1 618
Commercial management fees	79 741	84 734
Technical management fees	134 000	130 000
Insurance	137 975	173 861
Other administrative expenses	44 844	44 844
Total	427 035	462 032

Note 5 Operating expenses

	2019	2018
Fixed operating expenses		
- technical operations / insurance	798 091	796 119
- crew expenses	742 050	986 762
Total fixed operating expenses	1 540 141	1 782 881
Total operating expenses	1 540 141	1 782 881

Technical management fee and insurance is presented as administration expenses.

Total operating expenses, incl. tech.mng.fee	1 674 141	1 912 881
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Note 6 Tangible assets

	Vessel	Docking	Constr. in progress	Total
Acquisition cost 01.01.2019	16 143 833	473 006	373 994	16 990 833
Acquisitions	3 140 920	1 165 303		4 306 223
Disposals/reclassification	0	-473 006	- 373 994	-847 000
Acquisition cost 31.12.2019	19 284 753	1 165 303	0	20 450 056
Acc. depreciation 31.12.2019	-1 591 753	- 9 710	0	-1 601 463
Acc. impairment 31.12.2019	0	0	0	0
Net value 31.12.2019	17 693 000	1 155 593	0	18 848 593

	Vessel	Docking	Constr. in progress	Total
Impairment for the period	0	0	0	0
Depreciations for the period	771 725	267 863	0	1 039 588
Depreciation rate	5,6 %	20 %		
Depreciation schedule	Linear	Linear		
Estimated depreciation (years)	18	5		
Closing date	4.12.2017			

Note 7 Shareholders

The share capital in Arabian Sea AS as of 31/12/2019 consists of:

	Antall	Pålydende	Bokført
Ordinary shares	30 000	0,36	10 800
Sum		0	10 800

Ownership structure

	Antall	Eierandel	Stemmeandel
Gram Car AS	30 000	100,00	100,00
Totalt antall aksjer	30 000	100,00	100,00

Note 8 Equity capital

	Share capital	Share premium	Other equity/ uncovered loss	Total equity
Equity as of 1.1.2019	7 381	7 953 208	910 801	8 871 389
Debt conversion	3 420	6 985 964		6 989 384
Result for the year		0	744 977	744 977
Equity as of 31.12.2019	10 801	14 939 172	1 655 778	16 605 750

Note 9 Tax base /deferred tax

	2019	2018
Taxable result	7 134	12 765
	0	
Net tax result of the year	7 134	12 765
Tax payable	1 570	2 936
Nominal tax - 22 % / 23 %		
Tonnage tax:		
Total net tonnage (NT)	46 800	46 800
Tonnage tax (based on NT 47,000)	20 078	20 291
Total	20 078	20 291
Tax on ordinary result		
Tax payable	1 570	2 936
Tonnage tax		20 291
Tax on ordinary result	1 570	23 227
This year taxes includes		
Tax payable	1 570	2 936
Tonnage tax		20 291
Total	1 570	23 227

Tonnage tax is presented as an administrative expense as of 2019.

Note 10 Charges and guarantees

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

Note 11 Going concern and events after the balance sheet date

In accordance with the rules in NRS 3 on events after the balance sheet date, as well as the rules in the Accounting Act on continuing operations, the company's board of directors and management refer to the ongoing global Covid-19 virus outbreak. The company is, like most businesses, affected by the outbreak in a negative way. The company will, in the opinion of the Board, be affected by lower ton-miles due to lower production of cars and reduced car sales globally, and potentially charterers coming into financial distress. This may further entail a risk of a potential breach of the company's financial covenants. At the time of preparation of the annual accounts, it is not yet possible to make a reliable estimate of the consequences this outbreak will have on the company's financial position. How the outbreak will affect the assumption of going concern will depend on how long the situation will last, what measures the authorities will take, and how the aforementioned risks will actually affect the company. However, based on current situation and the information available at the present time, the Board of Directors considers it reasonable to use the assumption of going concern in the preparation of the annual accounts.