

Semi-annual Accounts 2019

Gram Car AS

Org.no.: 919 422 793

Profit and loss account

All figures in USD

	Note	30.6.2019	30.6.2018
Operating income and operating expenses			
Administrative expenses	2, 3	32 002	12 853
Total operating expenses		<u>32 002</u>	<u>12 853</u>
Net operating profit / loss		<u>-32 002</u>	<u>-12 853</u>
Financial income and expenses			
Other interest income		2 082	0
Currency gain		735	0
Financial income		<u>2 817</u>	<u>0</u>
Other interest expenses	7	934 500	950 250
Currency loss		15	5 023
Other financial expenses	7	53 672	96 697
Financial expenses		<u>988 187</u>	<u>1 051 970</u>
Net financial profit / loss		<u>-985 371</u>	<u>-1 051 970</u>
Net profit / loss		<u>-1 017 373</u>	<u>-1 064 823</u>

Balance sheet

All figures in USD

	Note	30.6.2019	31.12.2018
Assets			
Non-current assets			
Financial assets			
Investments in subsidiaries	4	<u>33 283 253</u>	<u>16 971 201</u>
Total financial assets		<u>33 283 253</u>	<u>16 971 201</u>
Total non-current assets		<u>33 283 253</u>	<u>16 971 201</u>
Current assets			
Receivables			
Receivables group companies		5 645	18 300 052
Other current receivables		<u>0</u>	<u>17 062</u>
Total receivables		<u>5 645</u>	<u>18 317 114</u>
Bank deposit			
Bank deposit		<u>1 478 613</u>	<u>443 304</u>
Cash and cash equivalents		<u>1 478 613</u>	<u>443 304</u>
Total current assets		<u>1 484 257</u>	<u>18 760 419</u>
Total assets		<u>34 767 510</u>	<u>35 731 619</u>

Balance sheet

All figures in USD

	Note	30.6.2019	31.12.2018
Equity and liabilities			
Equity			
Paid-in equity			
Share capital	5	24 582	24 582
Share premium		15 874 719	15 874 719
Total paid-in equity		<u>15 899 302</u>	<u>15 899 302</u>
Retained earnings			
Uncovered loss		-2 236 890	-1 219 517
Total retained earnings		<u>-2 236 890</u>	<u>-1 219 517</u>
Total equity	6	<u>13 662 411</u>	<u>14 679 784</u>
Liabilities			
Other non-current liabilities			
Bond loans	7	20 900 833	20 865 833
Total other non-current liabilities		<u>20 900 833</u>	<u>20 865 833</u>
Current liabilities			
Accounts payable		1 096	0
Other current liabilities		203 170	186 002
Total current liabilities		<u>204 266</u>	<u>186 002</u>
Total liabilities		<u>21 105 099</u>	<u>21 051 835</u>
Total equity and liabilities		<u>34 767 510</u>	<u>35 731 619</u>

Notes

Note 1 Accounting principles

The semi-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.

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.

Shares in subsidiaries and investment in associates

Subsidiaries and investments in associates 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 recognised in the same year as they are recognised in the financial statement of the provider. If dividends/ group contributions exceed the withheld profits after the acquisition date, the excess amounts represents a repayment of invested capital, and the distribution 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.

Notes

Note 2 Number of employees, remunerations, audit fee etc.

The company has no employees.

There are recorded remuneration to the board with USD 3 228 as per 30.06.2019, of which USD 1 004 to the chairman and USD 670 to each of the directors per year.

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 as per 30.06.2019 amounts to USD 1 751 excl. VAT.

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

Note 3 Administrative expenses

	30.06.2019	30.06.2018
Corporate management fees	6 409	6 117
Audit fees	1 751	1 237
Board of directors fees	3 683	3 846
Legal fees	15 000	1 504
Travel expenses	4 057	101
Other administrative expenses	1 102	48
Total	32 002	12 853

Note 4 Subsidiaries, associates, joint ventures

	Municipa- lity	Owner share	Equity	Profit
SBS/AS/JV				
Arabian Sea AS	OSLO	100,0%	16 768 290	907 540
Mediterranean Sea AS	OSLO	100,0%	17 599 556	1 738 805
Total			34 367 846	2 646 345

Gram Car AS

Notes

Note 5 Shareholders

The share capital in Gram Car AS as of 30.06 consists of:

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

Ownership structure

The largest 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
Total >5% ownership share	87 500	87,5	87,5
Total other	12 500	12,5	12,5
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 6 Equity capital

	Share capital	Share premium	Other equity/ uncovered loss	Total equity
Equity as of 01.01.2019	24 582	15 874 719	-1 219 517	14 679 784
Result for the year		0	-1 017 373	-1 017 373
Equity as of 30.06.2019	24 582	15 874 719	-2 236 890	13 662 411

Notes

Note 7 Other long-term liabilities

	30.06.2019	31.12.2018
Bond loan	21 000 000	21 000 000
Capitalized borrowing cost	-84 167	-134 167
Total other long-term debt	20 915 833	20 865 833
Average interest rate	2019	2018
Bond loan	9%	9%

The Bond loan will be increased with USD 2,500,000 to USD 23,500,000 in Q4 2019, and the maturity of the bond loan has been extended by 18 months to 28 May 2022.

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 the Bonds have been redeemed in full.

The company satisfies all conditions of the loan agreements at 30 June 2019.

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 8 - Off-balance sheet items

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