

Semi-annual accounts 2019

Arabian Sea AS

Org.no.: 919 779 225

Profit and loss account

All figures in USD

	Note	30.6.2019	30.6.2018
Operating income and operating expenses			
Operating income	2	<u>2 379 536</u>	<u>2 001 578</u>
Operating income		2 379 536	2 001 578
Administrative expenses	3, 4	227 116	266 370
Operating expenses	5	766 647	848 002
Depreciation and amortisation expenses	6	<u>481 800</u>	<u>481 800</u>
Total operating expenses		1 475 564	1 596 173
Net operating profit / loss		<u>903 973</u>	<u>405 405</u>
Financial income and expenses			
Currency gain		<u>3 003</u>	<u>0</u>
Financial income		3 003	0
Currency loss		<u>-564</u>	<u>2 760</u>
Financial expenses		-564	2 760
Net financial profit / loss		<u>3 567</u>	<u>-2 760</u>
Net profit / loss		<u>907 540</u>	<u>402 645</u>

Balance Sheet

All figures in USD

	Note	30.6.2019	31.12.2018
Assets			
Non-current assets			
Tangible assets			
Contructions in progress		855 858	373 994
Vessels		14 942 032	15 323 805
Docking		158 126	258 153
Total tangible assets	6	<u>15 956 015</u>	<u>15 955 952</u>
Financial assets			
Total non-current assets		<u>15 956 015</u>	<u>15 955 952</u>
Current assets			
Inventories			
Bunkers and lubes		66 359	74 194
Total inventories		<u>66 359</u>	<u>74 194</u>
Receivables			
Accounts receivables		202	12 373
Receivables group companies		10 362	0
Other current receivables		149 507	64 024
Total receivables		<u>160 071</u>	<u>76 397</u>
Bank deposit			
Bank deposit		1 202 762	2 691 965
Cash and cash equivalentents		<u>1 202 762</u>	<u>2 691 965</u>
Total current assets		<u>1 429 192</u>	<u>2 842 556</u>
Total assets		<u>17 385 207</u>	<u>18 798 508</u>

Balance Sheet

All figures in USD

	Note	30.6.2019	31.12.2018
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		<u>14 949 972</u>	<u>7 960 588</u>
Retained earnings			
Other equity		1 818 318	910 778
Total retained earnings		<u>1 818 318</u>	<u>910 778</u>
Total equity	8	<u>16 768 290</u>	<u>8 871 366</u>
Liabilities			
Current liabilities			
Liabilities to group companies		12 818	8 977 384
Accounts payable		345 995	324 818
Tax payable		20 087	23 227
Public duties payable		135	0
Other current liabilities		237 881	601 712
Total current liabilities		<u>616 917</u>	<u>9 927 141</u>
Total liabilities		<u>616 917</u>	<u>9 927 141</u>
Total equity and liabilities		<u>17 385 207</u>	<u>18 798 508</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.

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.

Notes

Note 2 Income

	30.06.2019	30.06.2018
Charter income	2 379 536	2 001 578
Total	2 379 536	2 001 578

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 as per 30.06.2019 amounts to USD 3 901 excl. VAT.

Additional fees for other services rendered amounts to USD 0 excl. VAT as of 30.06.2019.

Note 4 Administrative expenses

	30.06.2019	30.06.2018
Corporate management fees	12 818	12 234
Audit fees	3 901	0
Legal fees	0	1 618
Commercial management fees	45 195	42 159
Technical management fees	65 000	65 000
Insurance	94 731	130 728
Other administrative expenses	5 471	14 631
Total	227 116	266 370

Notes

Note 5 Operating expenses

	30.06.2019	30.06.2018
Fixed operating expenses		
- technical operations / insurance	307 463	505 528
- crew expenses	459 184	342 474
Total fixed operating expenses	766 647	848 002
Total operating expenses	766 647	848 002

Technical management fee and insurance is presented as administration expenses.

Total operating expenses, incl. tech.mng.fee	831 647	913 002
----------------------------------------------	---------	---------

Note 6 Tangible assets

	Vessel	Docking	Constr. in progress	Total
Acquisition cost 01.01.2019	16 143 833	473 006	0	16 616 839
Acquisitions		0	855 858	855 858
Disposals	0	0	0	0
Acquisition cost 30.06.2019	16 143 833	473 006	855 858	17 472 696
Acc. depreciation 30.06.2019	-1 201 801	-314 880	0	-1 516 681
Acc. impairment 30.06.2019	0	0	0	0
Net value 30.06.2019	14 942 032	158 126	855 858	15 956 015

	Vessel	Docking	Constr. in progress	Total
Impairment for the period	0	0	0	0
Depreciations for the period	381 773	100 027	0	481 800
Depreciation rate	5,6 %	49,2 %	Not finalized per 30.06.19	
Depreciation schedule	Linear	Linear		
Estimated depreciation (years)	18			
Closing date	04.12.2017			

Arabian Sea AS

Notes

Note 7 Shareholders

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

	Total	Face value	Entered
Ordinary shares	30 000	0,36	10 800
Total	30 000		10 800

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 8 Equity capital

	Share capital	Share premium	Other equity/ uncovered loss	Total equity
Equity as of 1.1.2019	7 381	7 953 208	910 778	8 871 366
Debt conversion	3 420	6 985 964		6 989 384
Result for the year		0	907 540	907 540
Equity as of 30.06.2019	10 801	14 939 172	1 818 318	16 768 290

Note 9 Charges and guarantees

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

Note 10 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.