

 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

Gram Car AS

Org.no.: 919 422 793

Profit and loss account

All figures in USD

	Note	2019	2018
Operating income and operating expenses			
Administrative expenses	2, 3	29 586	26 105
Total operating expenses		<u>29 586</u>	<u>26 105</u>
Net operating profit / loss		<u>-29 586</u>	<u>-26 105</u>
Financial income and expenses			
Income from subsidiaries	4	0	1 334 743
Other interest income		7 416	83
Currency gain		1 923	0
Financial income		<u>9 339</u>	<u>1 334 826</u>
Other interest expenses	8	1 884 750	1 895 250
Currency loss		5 015	5 783
Other financial expenses	8	106 113	146 705
Financial expenses		<u>1 995 878</u>	<u>2 047 738</u>
Net financial profit / loss		<u>-1 986 539</u>	<u>-712 912</u>
Ordinary result before tax		-2 016 124	-739 017
Tax on ordinary result		0	0
Ordinary result after tax		<u>-2 016 124</u>	<u>-739 017</u>
Net profit / loss		<u>-2 016 124</u>	<u>-739 017</u>
Attributable to			
Transferred to uncovered loss	6	2 016 124	739 017
Total		<u>2 016 124</u>	<u>739 017</u>

Balance

All figures in USD

	Note	2019	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		369 338	18 300 052
Other current receivables		<u>12 101</u>	<u>17 062</u>
Total receivables		<u>381 439</u>	<u>18 317 114</u>
Bank deposit			
Bank deposit		<u>2 463 727</u>	<u>443 304</u>
Cash and cash equivalents		<u>2 463 727</u>	<u>443 304</u>
Total current assets		<u>2 845 166</u>	<u>18 760 419</u>
Total assets		<u>36 128 419</u>	<u>35 731 619</u>

Gram Car AS

Balance

All figures in USD

	Note	2019	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		-3 235 641	-1 219 517
Total retained earnings		<u>-3 235 641</u>	<u>-1 219 517</u>
Total equity	6	<u>12 663 660</u>	<u>14 679 784</u>
Liabilities			
Other non-current liabilities			
Bond loans	8	<u>23 271 770</u>	<u>20 865 833</u>
Total other non-current liabilities		<u>23 271 770</u>	<u>20 865 833</u>
Current liabilities			
Accounts payable		120	0
Other current liabilities		192 869	186 002
Total current liabilities		<u>192 989</u>	<u>186 002</u>
Total liabilities		<u>23 464 759</u>	<u>21 051 835</u>
Total equity and liabilities		<u>36 128 419</u>	<u>35 731 619</u>

Oslo, 18.03.2020
The board of Gram Car 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

Notes

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.

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 6 264 in 2019, of which USD 1 708 to the chairman and USD 1 139 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 for 2019 amounts to USD 2 309 excl. VAT.

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

Note 3 Administrative expenses

	2019	2018
Corporate management fees	12 681	12 404
Audit fees	2 309	2 440
Board of directors fees	7 147	7 223
Legal fees	1 158	1 504
Travel expenses	4 057	114
Other administrative expenses	2 234	2 421
Total	29 586	26 105

Note 4 Subsidiaries, associates, joint ventures

	Municipa- lity	Owner share	Equity	Profit
SBS/AS/JV				
Arabian Sea AS	OSLO	100,0%	16 605 750	744 977
Mediterranean Sea AS	OSLO	100,0%	17 794 920	450 335
Total			34 400 670	1 195 312

Gram Car AS

Notes

Note 5 Shareholders

The share capital in Gram Car AS as of 31.12 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	20,00	20,00
Premium Maritime Fund II AS	20 000	20,00	20,00
Songa Investments AS	20 000	20,00	20,00
Glenrinnes Farms Ltd.	12 600	12,60	12,60
Dyvi Invest AS	8 500	8,50	8,50
Patronia AS	6 400	6,40	6,40
Total number of shares	87 500	87,50	87,50

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	Total equity
Equity as of 1.1.2019	24 582	15 874 719	-1 219 517	14 679 784
Result for the year		0	-2 016 124	-2 016 124
Equity as of 31.12.2019	24 582	15 874 719	-3 235 641	12 663 660

Notes

Note 7 Tax base /deferred tax

	2019	2018
Taxable result	-624 596	-1 215 305
	0	
<u>Net tax result of the year</u>	<u>-624 596</u>	<u>-1 215 305</u>
Tax payable	0	0
Nominal tax - 22 % / 23 %		
Tax on ordinary result		
<u>Tax payable</u>	<u>0</u>	<u>0</u>
Tax on ordinary result	0	0
This year taxes includes		
<u>Tax payable</u>	<u>0</u>	<u>0</u>
Total	0	0
Accumulated loss to be brought forward	-1 850 600	-1 226 004
<u>Not included in the deferred tax calculation</u>	<u>0</u>	<u>0</u>
Basis for calculation of deferred tax	-1 850 600	-1 226 004
Deferred tax liabilities (+) / assets (-) (22%)	-407 132	-269 720

Deferred tax is not booked to the balance sheet.

Notes

Note 8 Other long-term liabilities

	2019	2018
Bond loan	23 500 000	21 000 000
Capitalized borrowing cost	-228 230	-134 167
Total other long-term debt	23 271 770	20 865 833
Average interest rate	2019	2018
Bond loan	9%	9%

The maturity date of the bond loan is extended to 28 May 2022 and additional bonds of USD 2 500 000 has been issued in December 2019.

The bond loan has quarterly interest payments and quarterly instalments (first instalment is coming due August 2020).

The loan agreement contain covenants that Gram Car AS (including subsidiaries) shall at all times have a minimum cash balance of no less than

- (i) USD 1,000,000 in the period from and including the Issue Date to but not including 28 November 2018,
- (ii) USD 1,500,000 in the period from and including 28 November 2018 to but not including 1 February 2020,
- (iii) USD 500,000 in the period from and including 1 February 2020 to but not including 1 June 2020, and
- (iv) USD 1,500,000 in the period from and including 1 June 2020 to the Bonds have been redeemed in full.

The company satisfies all conditions of the loan agreements at 31 December 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 9 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.