



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 892 043 612  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: PB NORGE AS  
Forretningsadresse: Rådhusgata 4  
0151 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2017 - 31.12.2017

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Halfdan Millang  
Dato for fastsettelse av årsregnskapet: 21.12.2018

### Grunnlag for avgivelse

År 2017: Årsregnskapet er elektronisk innlevert  
År 2016: Tall er hentet fra elektronisk innlevert årsregnskap fra 2017

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 01.05.2021



## Resultatregnskap

Beløp i: NOK	Note	2017	2016
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	355 759 906	320 048 536
<b>Sum inntekter</b>		<b>355 759 906</b>	<b>320 048 536</b>
<b>Kostnader</b>			
Varekostnad		449 441	332 097
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	104 315 983	104 315 983
Annen driftskostnad	4	1 117 434	1 508 600
<b>Sum kostnader</b>		<b>105 882 858</b>	<b>106 156 680</b>
<b>Driftsresultat</b>		<b>249 877 048</b>	<b>213 891 856</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		1 050	151
agio gevinst	5	1 260 777	0
<b>Sum finansinntekter</b>		<b>1 261 827</b>	<b>151</b>
Agio tap	5	0	220 576 660
Rentekostnad til foretak i samme konsern		226 653 449	203 722 950
Annen finanskostnad		2 446	200
<b>Sum finanskostnader</b>		<b>226 655 895</b>	<b>424 299 810</b>
<b>Netto finans</b>		<b>-225 394 068</b>	<b>-424 299 659</b>
<b>Ordinært resultat før skattekostnad</b>		<b>24 482 980</b>	<b>-210 407 803</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>24 482 980</b>	<b>-210 407 803</b>
<b>Årsresultat</b>		<b>24 482 980</b>	<b>-210 407 803</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		24 482 980	-210 407 803
<b>Sum overføringer og disponeringer</b>		<b>24 482 980</b>	<b>-210 407 803</b>



### Balanse

Beløp i: NOK	Note	2017	2016
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Skip, rigger, fly og lignende	3	671 954 844	776 270 827
<b>Sum varige driftsmidler</b>		<b>671 954 844</b>	<b>776 270 827</b>
<b>Sum anleggsmidler</b>		<b>671 954 844</b>	<b>776 270 827</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	6		
Andre fordringer		75 251	194 787
Konsernfordringer	6	312 405 118	182 538 790
<b>Sum fordringer</b>		<b>312 480 369</b>	<b>182 733 577</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	7	1 484 927	756 288
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 484 927</b>	<b>756 288</b>
<b>Sum omløpsmidler</b>		<b>313 965 296</b>	<b>183 489 865</b>
<b>SUM EIENDELER</b>		<b>985 920 140</b>	<b>959 760 692</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital		100 000	100 000
<b>Sum innskutt egenkapital</b>		<b>100 000</b>	<b>100 000</b>
<b>Opptjent egenkapital</b>			



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2017</b>	<b>2016</b>
Udekket tap	8	480 785 778	505 268 758
<b>Sum opptjent egenkapital</b>		<b>-480 785 778</b>	<b>-505 268 758</b>
<b>Sum egenkapital</b>		<b>-480 685 778</b>	<b>-505 168 758</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	9	15 300 802	300 761
Tonnage Tax	10	98 550	98 550
Kortsiktig konserngjeld	9	1 451 206 566	1 464 272 565
Annen kortsiktig gjeld			257 574
<b>Sum kortsiktig gjeld</b>		<b>1 466 605 918</b>	<b>1 464 929 450</b>
<b>Sum gjeld</b>		<b>1 466 605 918</b>	<b>1 464 929 450</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>985 920 140</b>	<b>959 760 692</b>



**Skattedirektoratet**

Saksbehandler Torstein Kinden Helleland	Deres dato 17.06.2016	Vår dato 20.06.2016
Telefon 22078139	Deres referanse SBR	Vår referanse 2016/635068

PriceWaterhouseCoopers AS  
Postboks 748  
0106 Oslo

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for PB Norge AS, org. nr. 892 043 612**

- Vi viser til deres brev av 17. juni 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for PB Norge AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering PB Norge AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

**Bakgrunn**

PB Norge AS er helheiet av det russiske selskapet LLC Prime Shipping Holding. Selskapet driver med shippingvirksomhet. Dette er en internasjonal bransje og alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk. Alle selskap i konsernet er av det russiske morselskapet pålagt å utarbeide årsregnskapet og årsrapporten på engelsk. Styret har utenlandske medlemmer. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

**Skattedirektoratets vurdering**

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk.* Departementet kan ved ... *enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.*”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en*

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



*forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er eiet av et utenlandsk selskap. Eierkretsen er begrenset. Styret har utenlandske medlemmer. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



## Annual Report 2017

### PB Norge AS

#### Operation

PB Norge AS (registration no 892 043 612, referred to as the "Company") was established 3rd December 2007. The Company's objective is to conduct shipping activities. The Company has a total share capital of NOK 100.000 divided into 1.000 shares each with a value of NOK 100. The Company is located in Arendal, Norway.

The Company is 100 % owned by Prime Shipping Holding LLC, a Company incorporated under the Russian Federation Law. Prime Shipping Holding LLC is owned 47.5 % by Sberbank Investments LLC, Russia ( 100 % owned by Sberbank), 47.5 % by RN Commerce LLC (100% owned by Rosneft), and 5% by Multipoints Investments SA, Luxemburg, which is a fully owned subsidiary within the Italian Pietro Barbaro S.p.A. group.

As of 31 December the Company owned a total of 18 vessels. All vessels are Sea River Tankers operated on fixed bareboat charter parties with Prime Shipping LLC. In 2015, the duration of the charter parties were extended through 29 July 2026 following the sale of the Company. All vessels are sub-chartered from Prime Shipping LLC to Rosneft Open Joint Stock Company as the end customer for a period through 28.08.2028. 1<sup>st</sup> March 2016 an addendum to the Bareboat Charter was made for all vessels with amendments specifying yearly amount of hire and terms.

#### Financing

As of 31 December 2017 the Company has financed the vessels with an intercompany loan from Prime Shipping LLC denominated in RUB. The loan per 31.12.2017 amounted to RUB 10.119.990.000,-.

The intercompany loan from Prime Shipping LLC is financed by a loan from Sberbank, which is secured by pledges in the vessels owned by the Company.

#### Liquidity

The Company's liquidity as per 31.12.2017 is satisfactory. The Board expects that the cash flow from the bareboat charters with Prime Shipping LLC will provide the Company with sufficient liquidity going forward to service obligations to third parties and related parties. The Company has received a letter from Prime Shipping LLC confirming that a repayment notice relating to the intercompany loan and accumulated interest will only be made provided the equity is rectified and the Company is appropriately funded, and that the receivable on Prime Shipping LLC will be duly settled in order to cover the obligations of the Company as they fall due.

Annual report 2017 – PB Norge AS



#### Progress and result

The Company's financial results show a profit of NOK 24.482.980,- which is proposed to be transferred to previous years accumulated loss.

As of 31.12.2017 the liquid assets were NOK 1.484.927,-.

At the financial statements closing date, the fleet value has been analyzed in order to identify any indicator of potential impairment. Based on this analysis, there has not been conducted any impairment of the fleet as no indicators of impairment were noted.

There have not occurred any circumstances of significant importance for the judgment of the Company's financial positions after the end of the financial year.

The annual accounts provide a true and fair view of the assets and liabilities, as well as the financial position and earnings of the Company, in accordance with the Norwegian Accounting Act.

#### Financial market risk

The Company is exposed to the risk of exchange rate fluctuations as the Company's core business is in the international market. However, since 28 August 2015, the Company has its income in RUB generated from long-term bareboat charters, and the Company's financing is in RUB. Considering this, we assume the risk of exchange rate fluctuation as very low.

#### Future prospects and solidity

The Board expects that the economic growth of the Company will secure the Company's solidity and ability to meet its obligations going forward.

#### Going concern

The Company's equity capital is lost and the Board has therefore considered the Company's financial situation with reference to requirements of the Companies Act § 3-5. The Board has considered: (I) the reason of the accumulated loss; (II) the need for additional capital; (III) the Company's existing funding. The Board has concluded that there is no need for additional capital or other measures to correct the Company's capital situation as the vessels run in accordance with budget and the Company is expected to generate a positive operating cash flow going forward that will rectify the current equity situation.

Further as stated under the section "Liquidity" the Company has received a letter from Prime Shipping LLC that secures necessary access to liquidity and capital.

Based on this, the Board has concluded that the basis for the going concern assumption to be present.

Annual report 2017 – PB Norge AS



**External environment**

The Company's vessels are employed in the transportation of oil products by sea and river with the risk this implies related to pollution.

**Work environment**

There were no employees in the Company as of 31.12.2017. The Board consists of two men. The Company does not discriminate women or men.

The Board of Directors of PB Norge AS

21. DEC.  
Oslo, 8th May 2018

Halfdan Millang

MD and Chairman of Board of Directors

Andrey Bychenko

Director

Annual report 2017 – PB Norge AS

**Profit and Loss account  
PB Norge AS**

All amounts in NOK

Operating income and operating expenses	Note	2017	2016
Operating revenue from group companies	2	355 759 906	320 048 536
<b>Operating income</b>		<b>355 759 906</b>	<b>320 048 536</b>
Operational expenses		449 441	332 097
Depreciation expense	3	104 315 983	104 315 983
Other operating expenses	4	1 117 434	1 508 600
<b>Operating expenses</b>		<b>1 05 882 858</b>	<b>106 156 680</b>
<b>Operating profit</b>		<b>249 877 048</b>	<b>213 891 856</b>
Financial income			
Interest income		1 050	151
Currency gain	5	1 260 777	
<b>Financial income</b>		<b>1 261 827</b>	<b>151</b>
Financial expenses			
Interest expense to group companies		226 653 449	203 722 950
Other financial expenses		2 446	200
Currency loss	5	-	220 576 660
<b>Financial expenses</b>		<b>226 655 895</b>	<b>424 299 810</b>
<b>Net financial income and expenses</b>		<b>225 394 068</b>	<b>424 299 659</b>
<b>Profit (loss) for the year</b>		<b>24 482 980</b>	<b>-210 407 803</b>
Allocations & transfers			
Accumulated result to be brought forward		24 482 980	-210 407 803
<b>Total allocation and transfers</b>		<b>24 482 980</b>	<b>-210 407 803</b>

PB Norge AS



**Balance sheet  
PB Norge AS**

All amounts in NOK

<b>Assets</b>	<b>Note</b>	<b>2017</b>	<b>2016</b>
<b>Fixed assets</b>			
Vessels	3	671 954 844	776 270 827
<b>Total fixed assets</b>		<u>671 954 844</u>	<u>776 270 827</u>
<b>Current assets</b>			
Receivables			
Accounts receivable from group companies	6	312 405 118	182 538 790
Other receivables		75 251	194 787
<b>Total receivables</b>		<u>312 480 369</u>	<u>182 733 577</u>
Cash and bank deposits	7	1 484 927	756 288
<b>Total current assets</b>		<u>813 965 296</u>	<u>183 409 865</u>
<b>Total assets</b>		<u>985 920 140</u>	<u>959 760 692</u>

PB Norge AS




**Balance sheet  
PB Norge AS**

All amounts in NOK

	Note	2017	2016
<b>Equity and liabilities</b>			
<b>Restricted equity</b>			
Share capital		100 000	100 000
<b>Total restricted equity</b>		<u>100 000</u>	<u>100 000</u>
<b>Retained earnings</b>			
Accumulated loss to be brought forward		-480 785 778	-505 268 758
<b>Total retained earnings</b>		<u>-480 785 778</u>	<u>-505 268 758</u>
<b>Total equity</b>	8	<u>-480 685 778</u>	<u>-505 168 758</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	9	15 300 802	300 761
Intercompany loan	9	1 451 206 566	1 464 272 565
Tonnage tax payable	10	98 550	98 550
Accrued interest to group companies		-	-
Other short term liabilities		-	257 574
<b>Total short term liabilities</b>		<u>1 466 605 918</u>	<u>1 464 929 450</u>
<b>Total liabilities</b>		<u>1 466 605 918</u>	<u>1 464 929 450</u>
<b>Total equity and liabilities</b>		<u>985 920 140</u>	<u>959 760 692</u>

21. Dec

Oslo, 21. Dec 2018  
Board of Directors of PB Norge AS

  
Halvdan Millang  
MD and Chairman of the Board of Directors

  
Andrey Bychenko  
Director  
21/12/18

PB Norge AS

**Cash Flow Statement  
PB Norge AS**

All amounts in NOK

<b>Cash flow from operational activities</b>	<b>2017</b>	<b>2016</b>
Result before tax	24 482 980	-210 407 803
Depreciations	104 315 983	104 315 983
Change in accounts receivable	-117 061 679	-47 742 626
Change in other receivable	119 536	-93 432
Change in account payable	11 143 469	558 336
Change in other accruals	-	-63 964 028
Effect of exchange rate changes	-10 240 330	217 474 068
<b>Net cash from operational activities</b>	<b>12 759 959</b>	<b>140 498</b>

**Cash flow from investment activities**

Net cash flow from investment activities	-	-
--	---	---

**Cash flow from financing activities**

Payments from issuance of long term dept	-	-
Payments from issuance of short term dept	-	-
Repayments of long term debt	-12 031 320	-3 188
Repayment of short term debt	-	-
Repayment of long term dept-Moorpark	-	-
<b>Net cash flow from financing activities</b>	<b>-12 031 920</b>	<b>-3 188</b>

<b>Net changes in cash and cash equivalent</b>	<b>728 639</b>	<b>137 310</b>
--	----------------	----------------

Cash and cash equivalents at 01.01	756 288	618 978
<b>Cash and cash equivalents at 31.12</b>	<b>1 484 927</b>	<b>756 288</b>

PB Norge AS



## Notes to the Financial Statement PB Norge AS

### Note 1: Accounting principles:

#### General Information

The accounts have been drafted in accordance with the Norwegian Accounting Act of 1998 and drafted in accordance with accounting practices generally accepted in Norway (NGAAP).

#### Balance sheet classification

Fixed assets are assessed at cost but are written down to fair value when the decrease of value is not expected to be transitory. Fixed assets with finite economic lifespans are depreciated on a linear basis. Receivables to be repaid within one year are classified as current assets. Current assets are assessed at the lower of acquisition cost or fair value. Corresponding criteria form the basis when classifying short-term and long-term liabilities. Long-term debt comprises external mortgage loans. Long-term liabilities are recognized at the nominal amount received at the draw down date. Instalments within 12 months after balance sheet date are classified as short-term debt. Short term liabilities are recognized at the nominal amount received at the date of the transaction. Certain items are assessed according to other rules as explained below.

#### Tax

The taxation of the company is based on the rules of companies under the Norwegian tonnage tax system. This implies that the company is taxed for financial income and receives reduction for a share of interest expenses calculated as a share of financial assets. Negative tax result can be deferred against later years positive tax result.

#### Revenue recognition

Revenues are recognised on an accrual basis. Revenues are generated from bareboat charter hires. Bareboat charter revenues are recorded over the term of the charter as a service is provided.

#### Tangible fixed assets

Tangible fixed assets are recorded in the balance sheet at cost less accumulated depreciation. The company's tangible fixed assets are vessels. Depreciation is linear and based on an assessment of the assets remaining useful lifespan. At each financial statements closing date, tangible fixed assets are analyzed in order to identify any indicator of potential impairment. In case there is an indicator of impairment, the recoverable amount of the fixed asset is determined. The recoverable amount of the fleet is estimated at least once a year during the same period of each financial year. The recoverable amount is the higher of an assets net selling price and its value in use. In order to determine loss of value of the fleet, the Company has identified a single CGU that coincides with the entire fleet when the fleet consists of sister vessels employed having a similar commercial employment. Therefore, in order to verify whether there is any loss of value of the vessels, the assessments are made based on the entire fleet consisting of similar vessels. The loss of value of the vessels, if any is attributed to individual vessel according to the mechanisms of proportionality. An impairment loss is accounted for in the income statement when an asset's carrying amount or the value of the CGU to which it is allocated, exceeds its recoverable amount. In this case, the value previously reduced due to losses is restored, within the limits of the carrying amount that would be determined if the impairment had never been recorded. This takes place only when the impairment loss no longer exists or when there has been change in the estimates used to determine the recoverable amount.

#### Dry docking

Vessel repair and maintenance cost are expensed when incurred. The Company capitalises the cost of a dry docking at the time the dry-docking takes place, and amortise the capitalised cost through the date of the next scheduled dry docking. Under the bareboat contracts that all vessels are currently operated under, repair, maintenance and dry docking costs are the responsibility of the charterer. Thus, no periodic maintenance or dry-docking have been capitalized or carried out at the historic cost of the vessels.

#### Receivables

Trade debtors and other receivables are posted at nominal after provision for loss has been deducted. Provision for loss made on the basis of an individual assessment of each receivable.

PB Norge AS



**Notes to the Financial Statement  
PB Norge AS**

**Foreign currency translation and exchange rates**

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate on the balance sheet date. Changes to exchange rates are recognised in the income statement as financial items as they occur during the accounting period.

The following exchange rates are used in the accounts for currency conversion to NOK per 31st December 2017:

USD	8,2680
EUR	9,8670
RUB	0,14340

**Cash flow statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less. The Company does not have restricted cash balances as of 31.12.2017.

PB Norge As



Notes to the Financial Statement  
PB Norge AS

Note 2: Income

As of 31.12.2017 the company owned a total of 18 vessels. All the vessels are Sea River Tankers and are all fixed on bareboat charter-parties with the parent company Prima Shipping LLC.

Dareboathire:

Name of vessel	2017		2016	
	No. Of days	Amount NOK	No. Of days	Amount NOK
Assia	365	19 764 439	366	17 777 272
Aura	365	19 764 439	366	17 777 272
Calliope	365	19 764 439	366	17 777 272
Cilmene	365	19 764 439	366	17 777 272
Cloe	365	19 764 439	366	17 777 272
Dafne	365	19 764 439	366	17 777 272
Dorido	365	19 764 439	366	17 777 272
Elektra	365	19 764 439	366	17 777 272
Enceladus	365	19 764 439	366	17 777 272
Garrmonia	365	19 764 439	366	17 777 272
Gheba	365	19 764 439	366	17 777 272
Gloria	365	19 764 439	366	17 777 272
Jepetus	365	19 764 439	366	17 777 272
Kore	365	19 764 439	366	17 777 272
Mjala	365	19 764 439	366	17 777 272
Penelope	365	19 764 439	366	17 777 272
Tethys	365	19 764 439	366	17 777 272
Tett	365	19 764 439	366	17 777 272
2015 correction				57 640
<b>Total</b>		<b>355 759 906</b>		<b>320 048 536</b>

Note 3: Fixed assets:

The company took delivery of 9 vessels in 2010, 6 vessels in 2011 and additional 4 vessels in 2012. One vessel was sold in 2012. The company owns 18 vessels at 31.12.2017. The vessels are depreciated over an expected economic lifespan of 13 years. The vessels are depreciated on a linear basis.

The company has not incurred and capitalized any dry docking costs in 2017 as this has been covered by the charterer under the bareboat charter parties.

The company has considered impairment indicators and has concluded that there are no indicators of impairment that has triggered a need to perform an impairment test.

	31.12.2017	31.12.2016
Purchase cost 01.01.	1 978 176 858	1 978 176 858
Additions	0	0
Sales and disposals	0	0
<b>Cost of acquisition 31.12.</b>	<b>1 978 176 858</b>	<b>1 978 176 858</b>
Accumulated depreciation and impairment 01.01	601 906 030	497 590 047
Depreciation 31.12.	104 315 983	104 815 983
Impairment 31.12.	0	-
<b>Accumulated depreciation 31.12.</b>	<b>706 222 013</b>	<b>601 906 030</b>
<b>Carrying value 31.12.</b>	<b>671 954 844</b>	<b>776 270 827</b>

PB Norge AS



Notes to the Financial Statement  
PB Norge AS

Note 4: Other operating expenses

Other operating cost consists of:	2017	2016
Corporate Management fee	-	-
Accounting services	370 762	539 464
Auditors remuneration	359 000	440 563
Fee to lawyer	144 760	76 463
Other honorarium	56 290	163 564
Directors remuneration incl. Tax	57 278	-
Bank charges	14 070	19 677
Tonnage tax	98 550	98 550
Other costs	16 724	170 319
<b>Total</b>	<b>1 117 484</b>	<b>1 508 600</b>
Auditors remuneration consists of:		
Audit fee	359 000	312 605
Other services	-	127 958
<b>Total</b>	<b>359 000</b>	<b>440 563</b>

VAT is not included in the fee to auditor stated above.

The company has no employees. It is not compulsory for the company to establish mandatory occupational pension.

Note 5: Currency exchange gain and (loss):

Exchange differences consists of:	2017	2016
Unrealized exchange differences - loan	2 564 319	-241 834 933
Realized exchange differences - loan	-1 529 640	-247
Unrealized exchange differences - other items	-11 607 272	17 544 983
Realized exchange differences - other transactions	11 893 370	3 719 937
<b>Total</b>	<b>1 260 777</b>	<b>-220 576 660</b>

Note 6: Receivables from group companies

	2017		2016	
	USD	NOK	USD	NOK
PB Volga Ltd. Cyprus	1 415 169	11 700 619	1 415 169	12 287 206
Prime Shipping LLC. Russia	2 096 963 034	309 704 499	1 186 318 400	170 251 504
<b>Total</b>		<b>312 405 118</b>		<b>182 538 710</b>

PB Norge AS



Notes to the Financial Statement  
PB Norge AS

Note 7: Cash and bank deposit

Currency	2017			2016		
	Balance	Rate	NOK	Balance	Rate	NOK
NOK	357 346	1	357 346	19 517	1,0000	19 517
USD	64 297	8,2680	531 611	62 275	8,6825	540 705
GBP	921	11,1155	10 239	974	10,6399	10 363
SGD	464	6,1792	2 865	464	5,9883	2 777
EUR	-151	9,8670	-1 489	41	9,0758	374
RUB	4 074 896	0,14340	584 354	1 272 137	0,1435	182 552
<b>Total</b>			<b>1 484 927</b>			<b>756 288</b>

Note 8: Equity

The share capital consist of 1 000 shares of NOK 100 each. All shares have the same voting rights. All shares are owned by Prime Shipping Holding LLC. The company does not own its own shares.

2017			
Equity	Share capital	Accumulated loss	Total
Opening balance 01.01	100 000	-505 268 758	-505 168 758
Annual result		24 482 980	24 482 980
<b>Equity 31.12.</b>	<b>100 000</b>	<b>-480 785 778</b>	<b>-480 685 778</b>

PB Norge AS is consolidated into the group accounts of the parent company Prime Shipping Holding LLC. The consolidated financial statements are available in the registered office of Prime Shipping Holding LLC in Samara, Russia.

Note 9: Intercompany loan and payable

Lender	2017		2016	
	RUB	NOK	RUB	NOK
Prime Shipping LLC	10 119 990 000	1 451 206 565	10 203 990 000	1 464 272 565
<b>Total</b>		<b>1 451 206 565</b>		<b>1 464 272 565</b>

The loan to the parent company Prime Shipping LLC has an interest rate of 15.65 %. The loan agreement shall be in force until 29.07.2026, on this date the loan should be repaid including accumulated interest. The lender has a right to demand early repayment of the loan and accrued interest at any time in this period.

PB Norge AS

Notes to the Financial Statement  
PB Norge AS

Note10: Tax under the Norwegian tonnage tax system			Average	
	31.12.2016	31.12.2017	31.12.2017	31.12.2016
Financial assets	183 489 865	913 965 296	248 727 561	147 322 749
Total capital	959 760 692	985 920 140	972 840 416	975 751 568
Financial assets in %	19,12 %	91,84 %	25,57 %	15,10 %
Actual interest expense long term debt			-226 653 449	-203 722 950
Deductible interest expense long term debt (Norwegian tonnage tax regime)			-57 048 880	-30 768 880
Exchange differences gain/loss short term items			2 790 417	-220 576 413
Share of exchange differences short term items			718 480	-33 309 481
Exchange differences gain/loss long term items established after 2005			-1 529 640	-247
Share of realised exchange differences gain/loss long term items established after 2005			-391 085	-37
Revaluation account 01.01.			-	-3 850 962
Revaluation account 31.12.			-	-
Total taxable exchange differences gain/loss			922 345	-36 654 480
Financial income/financial expenses				
Interest income			1 050	151
Taxable currency gain/deductible currency loss			922 345	-36 654 480
Deductible interest expense long term debt (Norwegian tonnage tax regime)			-57 948 880	-30 758 880
Interest expense not tax deductible due to interest deduction limitation regulations			57 867 194	90 758 880
Other finance expenses			-	-
Total financial income/financial loss			241 769	-36 654 329
Tax losses carried forward 01.01			-44 612 062	-7 957 739
Tax losses carried forward 31.12			-44 370 803	-44 612 062
Interest deduction carried forward 31.12			-93 132 427	-35 265 238
Total tax losses and interest deductions carried forward			-137 502 780	-79 877 295
Deferred tax asset (23% /24%)			81 625 628	19 170 551

Deferred tax assets are not recognized in the balance sheet, as it is not probable that these can be utilized in the future. Tax losses have no expiry date. Interest deductions carried forward may be utilized within 10 years.

PB Norge AS



Notes to the Financial Statement  
PB Norge AS

Tonnage tax

Name of vessel	Net tonnage	From date	to date	No. Of days	Tonnage tax 2017	Tonnage tax 2016
Collopa	2000	01.01.2017	31.12.2017	365	6 570	6 570
Dafne	2000	01.01.2017	31.12.2017	365	6 570	6 570
Feti	2000	01.01.2017	31.12.2017	365	6 570	6 570
Panelope	2000	01.01.2017	31.12.2017	365	6 570	6 570
Gheba	2000	01.01.2017	31.12.2017	365	6 570	6 570
Clot	2000	01.01.2017	31.12.2017	365	6 570	6 570
Mayya	2000	01.01.2017	31.12.2017	365	6 570	6 570
Enceledus	2000	01.01.2017	31.12.2017	365		
Japetus	2000	01.01.2017	31.12.2017	365		
Tethys	2000	01.01.2017	31.12.2017	365		
Gloria	2000	01.01.2017	31.12.2017	365	6 570	6 570
Garmonia	2000	01.01.2017	31.12.2017	365	6 570	6 570
Climene	2000	01.01.2017	31.12.2017	365	6 570	6 570
Assia	2000	01.01.2017	31.12.2017	365	6 570	6 570
Aura	2000	01.01.2017	31.12.2017	365	6 570	6 570
Doride	2000	01.01.2017	31.12.2017	365	6 570	6 570
Elektra	2000	01.01.2017	31.12.2017	365	6 570	6 570
Kora	2000	01.01.2017	31.12.2017	365	6 570	6 570
					98 850	98 850

PB Norge AS



To the General Meeting of PB Norge AS

*Independent Auditor's Report*

*Report on the Audit of the Financial Statements*

---

*Opinion*

We have audited the financial statements of PB Norge AS showing a profit of NOK 24 482 980. The financial statements comprise the balance sheet as at 31 December 2017, the profit and loss account and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

---

*Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

---

*Other information*

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo  
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - PB Norge AS

---

## *Responsibilities of the Board of Directors and the Managing Director for the Financial Statements*

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

---

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

(2)



Independent Auditor's Report - PB Norge AS

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *Report on Other Legal and Regulatory Requirements*

---

#### *Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

---

#### *Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

---

#### *Other Matters*

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

This audit report replaces our previous audit report as of 30 June 2018, which was issued at the statutory deadline for holding the annual shareholders meeting. Complete annual financial statements and Board of Directors report were at this point in time not submitted by the Board of Directors and Managing Director.

Oslo, 21 December 2018  
**PricewaterhouseCoopers AS**

Sjur Holseter  
State Authorised Public Accountant

(3)