



Thor Ship II K/S

Svanemøllevej 17
2100 København Ø
CVR No. 30532732

Annual report 2019

The Annual General Meeting adopted the
annual report on 26.08.2020

Jesper Malik Møller Ringsholm
Chairman of the General Meeting

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Entity details

Entity

Thor Ship II K/S
Svanemøllevej 17
2100 København Ø

CVR No.: 30532732
Registered office: København
Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Thor Stadil, Chairman
Thomas Nørballe Mikkelsen
Jesper Malik Møller Ringsholm

Executive Board

Thomas Nørballe Mikkelsen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P. O. Box 1600
0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Thor Ship II K/S for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hellerup, 26.08.2020

Executive Board

Thomas Nørballe Mikkelsen
CEO

Board of Directors

Thor Stadil
Chairman

Thomas Nørballe Mikkelsen

Jesper Malik Møller Ringsholm

Independent auditor's report

To the Limited partners of Thor Ship II K/S

Opinion

We have audited the financial statements of Thor Ship II K/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Material uncertainty related to going concern

With reference to note 1 in the Financial Statements we draw the attention to the Company is financed by Group loans. Since there is no written agreement for continued support from Group enterprises there is a material uncertainty related to the Company being a going concern.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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 ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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, 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 Entity'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 in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 26.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Kim Takata Mücke

State Authorised Public Accountant
Identification No (MNE) mne10944

Management commentary

Primary activities

The Company's main activity is shipping.

Description of material changes in activities and finances

The financial statements shows a profit after tax of USD 248,808, a negative equity of USD 6,319,409 and total assets of USD 730.

The Company has sold its last remaining ship during the year. At current time Management is assessing the future of the Company.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report other than the impact of COVID-19, to which we refer to note 2 for elaboration hereon.

Income statement for 2019

	Notes	2019 USD	2018 USD
Gross profit/loss		25,653	954,192
Depreciation, amortisation and impairment losses	3	270,947	(5,594,209)
Other operating expenses		137,078	(436,003)
Operating profit/loss		433,678	(5,076,020)
Other financial income		0	919,666
Other financial expenses		(184,870)	(525,765)
Profit/loss for the year		248,808	(4,682,119)
Proposed distribution of profit and loss			
Retained earnings		248,808	(4,682,119)
Proposed distribution of profit and loss		248,808	(4,682,119)

Balance sheet at 31.12.2019

Assets

	Notes	2019 USD	2018 USD
Ships		0	7,396,665
Property, plant and equipment	4	0	7,396,665
Fixed assets		0	7,396,665
Other receivables		0	1,043
Receivables		0	1,043
Cash		730	425,243
Current assets		730	426,286
Assets		730	7,822,951

Equity and liabilities

	Notes	2019 USD	2018 USD
Contributed capital		15,600,000	15,600,000
Retained earnings		(21,919,409)	(22,168,217)
Equity		(6,319,409)	(6,568,217)
Bank loans		0	4,941,000
Non-current liabilities other than provisions		0	4,941,000
Current portion of non-current liabilities other than provisions		0	1,353,000
Trade payables		2,248	1,630,885
Payables to group enterprises		6,317,891	6,436,381
Deferred income		0	29,902
Current liabilities other than provisions		6,320,139	9,450,168
Liabilities other than provisions		6,320,139	14,391,168
Equity and liabilities		730	7,822,951
Going concern	1		
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Statement of changes in equity for 2019

	Contributed capital USD	Retained earnings USD	Total USD
Equity beginning of year	15,600,000	(22,168,217)	(6,568,217)
Profit/loss for the year	0	248,808	248,808
Equity end of year	15,600,000	(21,919,409)	(6,319,409)

Notes

1 Going concern

The Company is financed by group loans. In order for the Company to continue as a going concern, it must be possible to extend the existing agreements, and to procure liquidity for continued operations.

At this time, no agreements securing continued operations have been made. Consequently, the Company's ability to continue as a going concern, and thus its ability to meet its commitments as they fall due, is subject to uncertainty. At present, the Company is being financed by the Group. Management expects that this will also be possible going forward. Therefore, the Financial Statements have been prepared on the basis of the going concern assumption.

2 Events after the balance sheet date

The recent global outbreak of the coronavirus ("COVID-19") has caused significant volatility within the economic markets, for which the duration and spread of the outbreak and the resultant economic impact are uncertain and cannot be predicted. The Company considers the outbreak to be a non-adjusting event. As the situation is fluid and rapidly evolving, Management does not consider it practicable to provide a quantitative estimate of the potential impact of the outbreak on the Company's subsequent financial statements. Notwithstanding this, and considering that the Company in reality is dormant, the COVID-19 outbreak only has a marginal impact on the Company's business.

3 Depreciation, amortisation and impairment losses

	2019 USD	2018 USD
Depreciation of property, plant and equipment	619,871	1,268,209
Impairment losses on property, plant and equipment	0	4,326,000
Profit/loss from sale of intangible assets and property, plant and equipment	(890,818)	0
	(270,947)	5,594,209

4 Property, plant and equipment

	Ships USD
Cost beginning of year	32,278,279
Disposals	(32,278,279)
Cost end of year	0
Depreciation and impairment losses beginning of year	(24,881,614)
Depreciation for the year	(619,871)
Reversal regarding disposals	25,501,485
Depreciation and impairment losses end of year	0
Carrying amount end of year	0

5 Working conditions

The Company has no employees.

6 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Thornico Holding A/S, Odense, Denmark

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

The Financial Statement for 2019 are presented in USD with exchange rate of USD 667.59 at 31 December 2019 (31 December 2018 - USD 651.94)

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Gross profit or loss is presented as a summary of revenue less other external expenses.

Revenue

Revenue from chartering income is recognized in the income statement at the rate of completion of the charter (discharge to discharge principle). This method is applied when total revenues and expenses in respect of the charter at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprises vessel operating cost relating to the Company's ordinary activities, including expenses to achieve the revenue for the year such as TC-hire, port and bunker cost.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to ships comprise depreciation, amortisation and impairment losses for the financial year, and gain or losses on ships sold during the year.

Other operating expenses

Other operating expenses comprise expenses relating to the Company's ordinary activities, including general corporate costs.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, and currency gains.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and currency losses.

Balance sheet**Property, plant and equipment**

Ships are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation charges are based on cost reduced by any residual value and is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Dry-docking assets	2.5 years
Ships	25 years

Depreciation period and residual value are reassessed annually.

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to to the lower of its recoverable amount. The recoverable amount comprise fair

value less cost to sell and the value in use.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises prepayments received to be recognized as income in subsequent financial years. Deferred income is measured at cost.