
Thorco Africa Holding ApS

Havnegade 36, DK-5000 Odense C

Annual Report for 1 January - 31 December 2018

CVR No 36 47 48 07

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
20/06 2019

Jesper Malik Møller
Ringsholm
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Thorco Africa Holding ApS for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hellerup, 20 June 2019

Executive Board

Thomas Nørballe Mikkelsen
CEO

Board of Directors

Thor Stadil
Chairman

Marianne Schelde

Jesper Malik Møller Ringsholm

Independent Auditor's Report

To the Shareholder of Thorco Africa Holding ApS

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for adverse opinion paragraph, the Financial Statements do not give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Thorco Africa Holding ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Adverse Opinion

The Company has a significant negative equity. Negotiations with the Company's investors are being conducted about contribution of capital, making financing available for the continued operations of the Company. No binding capital or financing agreements have been entered into. Thus, the assumption that Company is able to continue on a going concern basis is subject to uncertainty.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 adverse opinion.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report

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 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 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 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 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 contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

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.

Hellerup, 20 June 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Hedam
State Authorised Public Accountant
mne27768

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Company Information

The Company

Thorco Africa Holding ApS
Havnegade 36
DK-5000 Odense C

CVR No: 36 47 48 07

Financial period: 1 January - 31 December

Municipality of reg. office: Odense

Board of Directors

Thor Stadil , Chairman
Marianne Schelde
Jesper Malik Møller Ringsholm

Executive Board

Thomas Nørballe Mikkelsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Other external expenses		-19.726	-4.893
Gross profit/loss		-19.726	-4.893
Financial income		0	4.691.731
Financial expenses		-3.721.216	-264
Profit/loss before tax		-3.740.942	4.686.574
Tax on profit/loss for the year	5	-192.330	10.353.858
Net profit/loss for the year		-3.933.272	15.040.432

Distribution of profit

Proposed distribution of profit

Retained earnings		-3.933.272	15.040.432
		-3.933.272	15.040.432

Balance Sheet 31 December

	Note	2018 DKK	2017 DKK
Assets			
Investments in subsidiaries	6	0	0
Fixed asset investments		0	0
Other receivables		3.591	1.138
Receivables		3.591	1.138
Cash at bank and in hand		46.933	47.996
Currents assets		50.524	49.134
Assets		50.524	49.134
Liabilities and equity			
Share capital		50.000	50.000
Retained earnings		-65.560.392	-61.627.120
Equity		-65.510.392	-61.577.120
Trade payables		11.979	4.940
Payables to group enterprises		65.548.937	61.621.314
Short-term debt		65.560.916	61.626.254
Debt		65.560.916	61.626.254
Liabilities and equity		50.524	49.134
Capital resources	1		
Subsequent events	2		
Key activities	3		
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	50.000	-61.627.120	-61.577.120
Net profit/loss for the year	0	-3.933.272	-3.933.272
Equity at 31 December	50.000	-65.560.392	-65.510.392

Notes to the Financial Statements

1 Capital resources

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 financing 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. Management expects financing to be procured to continue the planned activities.

2 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

3 Key activities

The activity of the Company is investment in and operations of assets and companies with relations to ships and operation of ships.

4 Staff expenses

The Company has no employees.

5 Tax on profit/loss for the year

	<u>2018</u> DKK	<u>2017</u> DKK
Current tax for the year	0	-761.536
Deferred tax for the year	0	-12.026.498
Adjustment of tax concerning previous years	<u>192.330</u>	<u>2.434.176</u>
	<u>192.330</u>	<u>-10.353.858</u>

Notes to the Financial Statements

	2018 DKK	2017 DKK
6 Investments in subsidiaries		
Cost at 1 January	60.992.068	60.992.068
Cost at 31 December	60.992.068	60.992.068
Value adjustments at 1 January	-60.992.068	-60.992.068
Value adjustments at 31 December	-60.992.068	-60.992.068
Carrying amount at 31 December	0	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Thor Ship II K/S	Gentofte	70%
Kompl. Thor Ship II	Gentofte	70%

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Thornico A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

There are no security and contingent liabilities at 31 December 2018.

8 Related parties

The company is part of the consolidated annual report of the parent company

Name	Place of registered office
Thornico A/S	Odense, Denmark

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Thorco Africa Holding ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

9 Accounting Policies (continued)

Income Statement

Other external expenses

Other external expenses comprise office expenses, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to

Notes to the Financial Statements

9 Accounting Policies (continued)

“Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.