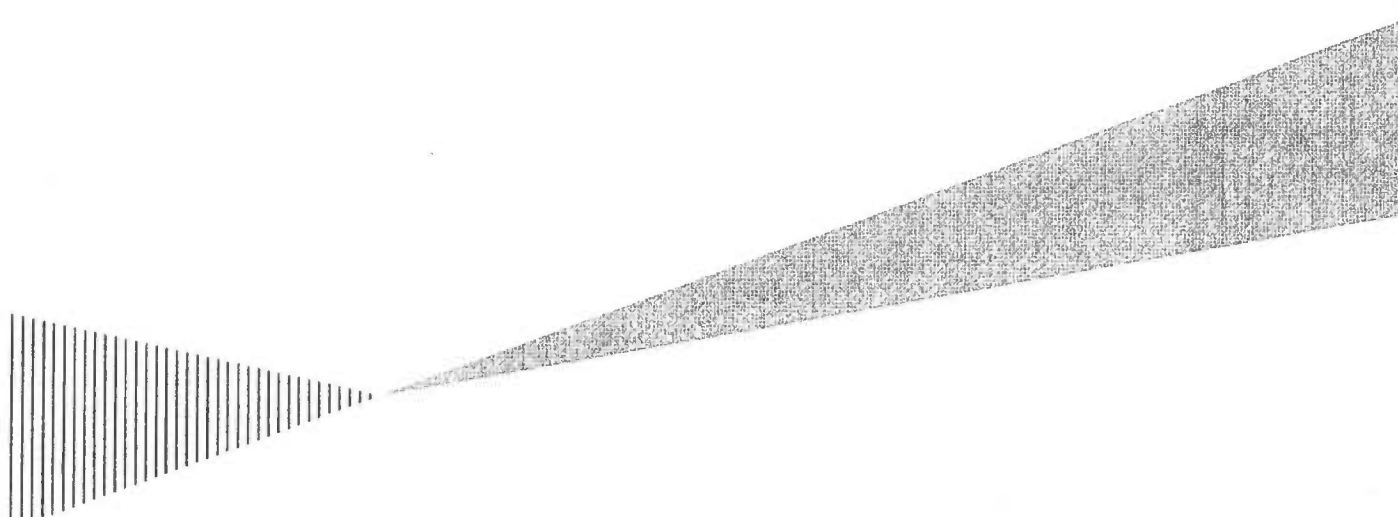


Norvic Shipping Europe ApS

Rungsted Havn 30, 1. th., 2960 Rungsted Kyst, Denmark

CVR no. 37 32 71 90



Annual report 2015/16

(As of the establishment of the Company 28 December 2015 - 31 December 2016)

Approved at the annual general meeting of shareholders on 30 June 2017

Chairman:



Building a better
working world



Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Management commentary	5
Financial statements for the period 28 December 2015 - 31 December 2016	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes to the financial statements	10



Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Norvic Shipping Europe ApS for the financial year as of the establishment of the Company 28 December 2015 - 31 December 2016.

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 of the Company at 31 December 2016 and of the results of the Company's operations for the financial year as of the establishment of the Company 28 December 2015 - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Rungsted Kyst, 30 June 2017
Executive Board:

Henrik Francke Jeremiassen
CEO

Board of Directors:

Ashfaque Jamil Rahman
Chairman

Mahveen Rahman



Independent auditor's report

To the shareholders of Norvic Shipping Europe ApS

Opinion

We have audited the financial statements of Norvic Shipping Europe ApS for the financial year as of the establishment of the Company 28 December 2015 - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year as of the establishment of the company 28 December 2015 - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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 the 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 skepticism 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.



Independent auditor's report

- ▶ 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 conclusion is 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 note disclosures, 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 Management's review

Management is responsible for the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 June 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Andersen
State Authorised Public Accountant



Management's review

Company details

Name	Norvic Shipping Europe ApS
Address, Postal code, City	Rungsted Havn 30, 1. th., 2960 Rungsted Kyst, Denmark
CVR no.	37 32 71 90
Established	28 December 2015
Financial year	28 December 2015 - 31 December 2016
Board of Directors	Ashfaque Jamil Rahman, Chairman Mahween Rahman
Executive Board	Henrik Francke Jeremiassen, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The company's purpose is to provide chartering, management and operation services as well as post fixture services in this regard.

Financial review

In 2015/16, the Company's revenue amounted to DKK 5,519,642. The income statement for 2015/16 shows a profit of DKK 204,273, and the balance sheet at 31 December 2016 shows equity of DKK 254,273.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.



Financial statements for the period 28 December 2015 - 31 December 2016

Income statement

Note	DKK	2015/16
	Revenue	5,519,642
	Other external expenses	-760,626
	Gross margin	4,759,016
2	Staff costs	-4,426,369
	Depreciation and impairment of property, plant and equipment	-56,665
	Profit before net financials	275,982
	Financial expenses	-6,669
	Profit before tax	269,313
	Tax for the year	-65,040
	Profit for the year	204,273
	Recommended appropriation of profit	204,273
	Retained earnings	204,273



Financial statements for the period 28 December 2015 - 31 December 2016

Balance sheet

Note	DKK	<u>2015/16</u>
	ASSETS	
	Fixed assets	
3	Property, plant and equipment	
	Fixtures and fittings, other plant and equipment	214,135
		<u>214,135</u>
	Investments	
	Deposits, investments	83,125
		<u>83,125</u>
	Total fixed assets	<u>297,260</u>
	Non-fixed assets	
	Receivables	
	Receivables from group entities	788,953
	Prepayments	92,943
		<u>881,896</u>
	Cash	199,348
	Total non-fixed assets	<u>1,081,244</u>
	TOTAL ASSETS	<u>1,378,504</u>



Financial statements for the period 28 December 2015 - 31 December 2016

Balance sheet

Note	DKK	<u>2015/16</u>
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	50,000
	Retained earnings	<u>204,273</u>
	Total equity	<u>254,273</u>
	Provisions	
	Deferred tax	<u>2,428</u>
	Total provisions	<u>2,428</u>
	Liabilities	
4	Non-current liabilities other than provisions	
	Other payables	<u>179,898</u>
		<u>179,898</u>
	Current liabilities	
	Trade payables	27,143
	Corporation tax payable	62,612
	Other payables	<u>852,150</u>
		<u>941,905</u>
	Total liabilities other than provisions	<u>1,121,803</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>1,378,504</u></u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Related parties



Financial statements for the period 28 December 2015 - 31 December 2016

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 28 December 2015	0	0	0
Transfer through appropriation of profit	0	204,273	204,273
Cash payments concerning formation of enterprise	50,000	0	50,000
Equity at 31 December 2016	<u>50,000</u>	<u>204,273</u>	<u>254,273</u>



Financial statements for the period 28 December 2015 - 31 December 2016

Notes to the financial statements

1 Accounting policies

The annual report of Norvic Shipping Europe ApS for 2015/16 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	4 years
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Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.



Financial statements for the period 28 December 2015 - 31 December 2016

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Financial statements for the period 28 December 2015 - 31 December 2016

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

DKK	2015/16
2 Staff costs	
Wages/salaries	4,064,138
Pensions	265,924
Other social security costs	23,116
Other staff costs	73,191
	4,426,369
Average number of full-time employees	4

3 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment
Cost at 28 December 2015	0
Additions	270,800
Cost at 31 December 2016	270,800
Impairment losses and depreciation at 28 December 2015	0
Depreciation	56,665
Impairment losses and depreciation at 31 December 2016	56,665
Carrying amount at 31 December 2016	214,135



Financial statements for the period 28 December 2015 - 31 December 2016

Notes to the financial statements

4 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

5 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	<u>2015/16</u>
Rent and lease liabilities	<u>533,316</u>

6 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Norvic Maritime Holdings Inc.	SSQ Place, 110 Sheppard Avenue East Suite 309 Toronto, Ontario M2N 6Y8, Canada	At parent company