ANNUAL REPORT 2017/2018

Coral Tankers ApS

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Contents

Key figures

EUR '000	2017/2018
INCOME STATEMENT	
Revenue	39.333
Time charter equivalent earnings	24.615
Operating profit before depreciation etc. (EBITDA)	8.369
Depreciations, write-downs and gains/losses	-5.499
Operating profit (EBIT)	3.175
Net financials	-2.600
Result for the year	483
BALANCE SHEET	
Non-current assets	30.786
Total Assets	42.841
Equity	490
Invested capital	29.240
Net working capital	-1.562
Net interest-bearing debt	32.136
Cash and cash equivalents	8.668
CASH FLOW	
Cash flow from operating activities	8.718
Cash flow from investing activities	-5.187
Cash flow from financing activities	4.942
Cash flow of the year	8.473
EMPLOYEES	
Land based employees	8
FINANCIAL AND ACCOUNTING RATIOS	
TCE-margin (%)	62,6%
EBITDA-margin (%)	21,3%
EBIT-margin (%)	8,1%
Return on invested capital (%)	57.2%
Return on equity (%)	95,6%
OTHER	
Total number of vessel days for the Group	3.495
USD/EUR rate at year-end	0,95
Average USD/EUR rate	0,90
USD/DKK rate at year-end	7,05
Average USD/DKK rate	6,73

Management review

Coral Tankers ApS business review

Coral Tankers ApS is the holding company of Crystal Nordic which is a chemical tanker operator and ship-owner headquartered in Køge, Denmark, primarily operating in Northern Europe and the Baltic Sea. Coral Tanker ApS was established on 14 December 2017 with the purpose of acquiring the Crystal Nordic group.

The core competence of Crystal Nordic is to own, manage and commercially operate chemical tankers with the highest focus on safety and quality.

As per year-end 2018, the Crystal Nordic fleet was composed of five ice-class vessels. These vessels were under technical management with Dania Ship Management and chartered out on time charter agreements.

Management

The Board of Directors of Coral Tankers ApS consists of four members with long experience within management and the shipping industry. The Board should have a reasonable size, composition, diversity plus the competences necessary to ensure that they at any given time is qualified to attend to the managerial tasks as the upper management body of the Company.

The Board of Directors consists of:

- Bent Kemplar (Chairman)
- Jan Eghøj (Board member)
- Wilfried Fuhrmann (Board member)
- Jan Hammer (Board member)

The Executive Management consists of Jan Eghøj.

Key developments in 2018

During 2018, especially in the second half of the year, Crystal Nordic experienced a difficult business climate in Europe. However, the Group managed to maintain daily TCE rates in line with the expectations.

During the year, five of the vessels and the shareholdings in the two BKR companies were sold.

In the 4th quarter of the year, the five remaining vessels were put on time charter. As a consequence of this, as well as the vessel sale, it became possible to reduce the number of land based employees.

Subsequent events

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Financial highlights of the Group in 2018

The Group reported a net result of EUR 483 thousand for 2018.

Time charter equivalent earnings (TCE)

TCE earnings amounted to EUR 24.615 thousand. The daily TCE rates improved compared to last year, but due to the sale of vessels, the number of vessel days was 1,168 lower resulting in a decrease of the TCE earnings.

Operating expenses and charter hire

Total operating expenses amounted to EUR 14.548 thousand. Hereof, seafarer related expenses amounted to EUR 6.9 million, while the remaining part related to maintenance and other operating expenses incurred in the operation of the owned fleet. Time charter hire expenses were EUR 19 thousand.

Depreciation

Depreciation on the Group's owned vessels amounted to EUR 6.754 thousand. The reduction is due to the sale of vessels.

Tax

The Group's tax payment is calculated according to the rules and regulations of the Danish Tonnage Tax Act. For further information please refer to note 7 in the consolidated financial statements.

Assets, equity and liabilities

As per 31 December 2018, the Group's total assets amounted to EUR 42.841 thousand. Non-current assets were EUR 30.786 thousand, while cash was EUR 8.668 thousand.

The Group's equity amounted to EUR 490 thousand. Total liabilities amounted to EUR 42.352 thousand, mainly composed of interest bearing debt.

Cash flow

Cash flow for the year was EUR 8.473 thousand. Cash flow from operating activities was EUR 8.718 thousand. Cash flow from investing activities was EUR -5.187 thousand, mainly due to the acquisition of business, net and proceeds from tangible assets. Cash flow from financing activities was EUR 4.942 thousand mainly due to proceeds from borrowing as well as loan installments in connection with the vessel sale.

Outlook for 2019

The market is expected to improve slightly compared to Q4 2018 which will be positive for the profit split agreements on the five time charter agreements.

Risk management

The Group pursues a finance policy that operates with a low risk profile, ensuring the foreign exchange, interest and credit risks arise only on the basis of commercial factors. Having all five vessels to time charter to a financially strong counterpart is part of the risk management.

The Executive Management continuously monitors the potential risks considered to have the most significant effect on the Group's financial position and business performance. Measures deemed relevant to limit the Group's sensitivity to such risks are evaluated on an on-going basis. Risks and measures are reviewed at least annually with the Board of Directors.

Financial risks

Financing and liquidity

Access to liquidity is an important factor in the execution of the strategy of the Group. The Group strives to have a strong balance sheet, thereby enhancing its credit profile towards its providers of financial debt (banks) and providers of tonnage (ship owners). At the end of 2018, the Group's equity ratio was 6.364,9%.

Cash flow developments are monitored closely, including daily updates. Furthermore, the Group aims at having sufficient cash reserves in order to overcome a prolonged adverse market situation.

Current loan agreements include customary financial covenants, which have been met in the course of 2018 and are expected to be met in 2019.

In 2019, the Group expects to have sufficient liquidity for meeting its payment obligations for conducting the normal course of its operations without needing the support from its shareholder.

Interest rates

Coral Tankers' gross interest bearing debt amounted to EUR 32.136 thousand as per 31 December 2018. The debt was denominated in EUR and EUR 8.533 thousand carried floating interest rate.

Foreign exchange risks

Most of the revenues earned by Coral Tankers are in the functional currency EUR, while a portion of the operating expenses (processed by technical manager Dania Ship Management) as well as administrative expenses are incurred in other currencies, primarily DKK and USD.

The Group has minimised its currency exposure by having the time charter hires in EUR.

Credit risk

It is Group policy to cooperate with recognised pool partners and only grant credit to oil majors and other first class customers in order to minimise credit risks.

In 2018, Coral Tankers did not suffer any significant losses from defaulting customers.

Other risks

The Group aims at minimising its exposure to accidents on the vessels, pollution, damages to hull and machinery etc. by investing in modern vessels, managing the maintenance of the vessels as well as continuing education of its staff.

Furthermore, risks in connection with the operation of the vessels, transport of cargo, personale injuries, environmental damages and war are being covered by insurances in internationally recognised insurance companies. The Group aims at minimising its exposure by using multiple insurance companies.

The Group has established duplication of business critical IT systems. Back-up of data is made in an external IT environment outside the Group's offices.

Corporate Social Responsibility

Coral Tankers will actively initiate and participate in activities related to CSR and will incorporate CSR initiatives in its strategy at any given time. The key focus points of Coral Tankers are areas related to health & safety, environment & climate and general welfare and training. Coral Tankers will strive to continuously improve itself in these fields and communicate transparently with stakeholders about results and initiatives.

All of Coral Tankers' CSR activities emerge from the Group's core business and strategy. The Group is committed to progress in business-driven CSR initiatives in order to deliver high quality and 'best in class' services while meeting own and customers' expectations in respect of responsible business practice. Management sees the business-driven approach as the only way forward when building a long-term sustainable business, where both the Group and society benefit.

Coral Tankers's CSR policy is based on the ten guiding principles of the United Nations Global Compact (UNGC) that cover the areas of human & labor rights, environment & climate and anti-corruption as well as the principle of continuous improvement.

Safety culture

Safety is Coral Tankers' license to operate and is embedded in the Group's DNA. All employees regardless of title and work responsibilities must at all times comply with Coral Tankers' safety policy and regulations. A key focus area during 2018 was the continuation of the safety culture drive. The ambition of this initiative is to prevent all accidents, injuries and occupational illnesses through the active participation of each employee. Therefore, Coral Tankers' safety initiatives are embedded, carried out and measured within the various business areas. Results of the Safety Culture drive include increased knowledge sharing and fewer incidents. The Group continues to invest resources in this area to reach the goal of zero incidents.

Introduction of the safety culture program has had a positive result of decreasing the number of accidents on board the Group's vessels. The Group reached the target of 0 Lost Time Incidents (LTI) in 2018. The goal for 2019 is also to reach 0 LTIs on vessels owned by Coral Tankers.

Environment and climate

Responsibility at sea

Coral Tankers has formulated a Health, Safety and Environment (HSE) policy, which includes working towards a *"zero oil spill to sea"* by coordination of efforts of those ashore and on board vessels plus working towards a long-term goal of *"zero accidents and incidents"* by using KPIs to monitor performance. Generally, Coral Tankers will comply with industry legislation that refers to health, safety and environment protection while focusing on global activities and ensuring continual environmental improvements through open dialogue with clients/customers. Their feedback will be used to revise existing procedures related to health, safety and environment issues.

The Group together with its technical manager, Dania Ship Management, actively collaborate with the Danish Ministry for Energy, Utilities and the Climate plus the Danish Technological Institute to develop a method for remote determination of Sulphur content in fuel oil on board ships. The project is named "Remote sensing of Sulphur and particle emission from ships" and was commenced in 2016.

A permanent sniffer has been installed on the Great Belt Bridge, which will be able to check the sulphur content in the exhaust gas emissions from the ships passing underneath and thereby, monitor the sulphur content in the fuel oil used onboard. The requirement for sulphur content in board fuel oil in the North Sea, Baltic Sea and US territory is a maximum 0.1%.

The role of Coral Tankers in this regard is during the trial period to report whenever one of the Group's vessels will pass the Great Belt Bridge in order to monitor the exhaust gas fan and eventually be able to do the sulphur measuring from the bridge.

From 1 January 2018, the new EU legislation, Monitoring, Reporting and Verification (MRV), regarding CO_2 emissions from ships entered into force and replaced the previous reporting to Danish Shipping. In order to ensure compliance with the new requirements, Coral Tankers has implemented the necessary systems and processes.

For 2018, it was the target to have 0 groundings and 0 oil spills, both of which targets were achieved.

General purchasing terms and conditions

In addition to the HSE policy, the General Purchasing Terms and Conditions of Coral Tankers specify that all suppliers and subsuppliers are required to live up to the rules and regulations applicable for Coral Tankers.

Responsible tank cleaning

Coral Tankers has initiated a new tank cleaning method, by using spectrometers. Applying spectrometers, the Group openly shares particulate contents of tank washing analysis with customers, surveyors and terminals. The new system ensures:

- A decrease of the number of man entries in tanks for wall wash, inspections etc., the occurrence of solvent handling used for wall wash medium and the number of third party, surveyor personnel, required to be on board the vessel.
- A reduction of the amount of excessive cleaning chemicals need and the disposal hereof and the cleaning time and unnecessary ship CO_2 emissions.

Recycling

The Group does not have a need to recycle ships in the near future. Should recycling of a vessel be considered, Coral Tankers will through a comprehensive investigation and screening process ensure that any recycling is completed in full compliance with the Hong Kong convention. Coral Tankers will ensure that before any agreement on recycling a vessel, the nominated yard must at minimum meet following requirements:

- Comply with the Hong Kong convention
- Produce an Inventory Hazardous Material Certificate issued by Class (IACS)
- Issue a Ship Recycling Plan
- Issue a Green Recycling certificate

Social responsibilities and employee conditions

Operating in an international and cost-competitive environment, ensuring acceptable working conditions is an important goal for Coral Tankers. The Group's HSE policy ensures that all employees work in a safe work environment both on the vessels and in the offices. It is the Group's ambition to operate in accordance with all applicable laws and regulations and to treat its employees with dignity and respect. The Group expects its suppliers to operate their businesses in the same way, and in order to ensure to this, it is explicitly stated in the Group's general purchasing terms and conditions that suppliers may not in any way be involved in or related to any form of slavery or forced labor, human trafficking or similar actively. Furthermore, suppliers shall treat all personnel with dignity and respect and shall not tolerate mental or physical abuse or coercion of employees. Nor may suppliers be engaged in or benefit from child labor. Management finds that the requirements are contributing positively to the employee conditions in the suppliers' companies.

It is not the goal to draw up a policy on human rights in 2019, as the Group believes the General Purchasing Terms and Conditions combined with their Code of Conduct to be adequate.

Anti-corruption

As a global Group in the maritime industry, Coral Tankers is firmly committed to adherence to high ethical standards in addition to applicable laws hereunder anti-corruption. Coral Tankers has an anti-corruption policy, which states that no employee of Coral Tankers may be involved in corruption.

Coral Tankers applies international rules and standards regarding facilitation payments. The Group wants to avoid making facilitation payments, and procedures are in place to resist paying in such.

Anti-money laundry

Coral Tankers has implemented an Anti-money Laundering (AML) Policy and Guidelines that further elaborated on the policy statement set out in the Group's CoC. This states that Coral Tankers will not participate in any form of money laundering, and no member of Management or any employee may facilitate, support, directly or indirectly, any payment or transfer of money, which is likely to constitute money laundering.

The responsibility to avoid Coral Tankers getting involved in any money laundering or dubious transaction applies to all employees and involves all departments and throughout the entire activity chain from the choice of customer or business partner all the way to the execution of payments.

Gender representation

Currently, the Board of Directors is made up by four men. The Group's target regarding gender representation is one female out of four Board members to be obtained within next two financial years. It is, however, the Group's policy at all times to select the candidate with the strongest qualifications no matter their gender, nationality, religion or political conviction.

The Executive Management of Coral Tankers consists of one male. There has not been set up a policy regarding the gender composition of the executive management.

Consolidated financial statements

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Consolidated income statement

14 December 2017 - 31 December 2018

EUR '000	**Note**	**2017/2018**
Revenue	2	39.333
Voyage related expenses		-14.718
Time charter equivalent earnings		**24.615**
Other operating income		817
Time charter hire		-19
Operating expenses	3	-14.548
Administrative expenses	3, 4	-2.496
Operating profit before depreciation etc. (EBITDA)		**8.369**
Depreciation	5	-6.754
Gains/losses from sale of fixed assets	5	1.255
Share of results of associated companies	6	305
Operating profit (EBIT)		**3.175**
Financial income		1.333
Financial expenses		-3.933
Result before tax		**575**
Tax	7	-92
Net result		**483**
Attributable to:		
Shareholder of Coral Tankers A/S		483
		483

Consolidated balance sheet

at 31 December 2018

EUR '000	Note	2017/2018
ASSETS		
Vessels	8	30.786
Tangible assets		**30.786**
Investments in associated companies	9	0
Financial assets		**0**
Non-current assets		**30.786**
Inventories		37
Trade receivables		2.677
Other receivables		419
Prepayments	10	254
Cash and cash equivalents		8.668
Current assets		**12.055**
Assets		**42.841**

Consolidated balance sheet

at 31 December 2018

EUR '000	Note	2017/2018
EQUITY AND LIABILITIES		
Share capital		7
Retained earnings		483
Equity		**490**
Loans	11	30.737
Non-current liabilities		**30.737**
Loans	11	1.399
Trade payables		3.261
Current tax liabilities		83
Other payables		6.871
Current liabilities		**11.614**
Liabilities		**42.352**
Equity and liabilities		**42.841**
Significant accounting policies and changes to accounting policies	1	
Contractual obligations	13	
Unrecognized contingent assets and liabilities	14	
Mortgages and securities	15	
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Consolidated statement of changes in equity

14 December 2017 - 31 December 2018

EUR '000	Share capital	Retained earnings	Total
Issue of share capital and capital injections during the year	7	-	7
Profit for the year	-	483	483
Changes in equity	**7**	**483**	**490**
Equity at 31 December 2018	**7**	**483**	**490**

Consolidated cash flow statement

14 December 2017 - 31 December 2018

EUR '000	Note	2017/2018
Operating profit (EBIT)		3.175
Reversal of depreciation		6.754
Reversal of gains/losses from sale of fixed assets		-1.255
Reversal of share of results of associated companies		-305
Reversal of other non-cash items		-563
Changes in working capital excl. accrued interest and tax liabilities	12	-1.562
Interest etc. received		-175
Interest etc. paid		2.551
Tax		98
Cash flow from operating activities		**8.718**
Acquisition of business, net		-58.961
Proceeds from the sale of tangible assets		48.350
Proceeds from the sale of financial assets		5.424
Cash flow from investing activities		**-5.187**
Proceeds from issue of share capital		7
Proceeds from borrowing		66.758
Installments/repayments on loans		-61.823
Cash flow from financing activities		**4.942**
Net cash flow		**8.473**
Cash and cash equivalents at beginning of the year		-
Exchange rate adjustments		195
Net cash flow		8.473
Cash and cash equivalents at end of the year		**8.668**

Notes to the consolidated financial statements

Note 1. Significant accounting policies and changes to accounting policies

The annual report for the period 14 December 2017 – 31 December 2018 comprises the consolidated financial statements of Coral Tankers ApS and its subsidiaries (the "Group" or "Coral Tankers"). Coral Tankers ApS is a Limited Liability Company with its registered office in Denmark.

The consolidated financial statements of Coral Tankers for 2017/2018 have been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium class C companies.

As this is the Group's first financial year, there in no comparative figures.

The consolidated financial statements are presented in Euros (EUR), which is the presentation currency of the Group activities and the functional currency of the parent company and subsidiaries.

The consolidated financial statements are presented on the basis of historical cost prices.

Applied accounting policies are also included in note 18.

Note 2. Revenue

EUR '000	**2017/2018**
Freight revenue	28.914
Time charter revenue	4.111
Other voyage related revenue	6.308
Revenue	**39.333**

Note 3. Staff costs

EUR '000	**2017/2018**
Land based employees (included in administrative expenses)	
Wages and salaries	857
Pensions, defined contribution plans	77
Other social security expenses	8
	942

Average number of employees	**2017/2018**
Land based employees	8

Persons in the Board of Directors and Key Management, average	**2017/2018**
Board of Directors	4
CEO and Key Management personnel	1
	5

The Company's Board of Directors have not received remuneration during 2018. Information on remuneration for the management has been committed with reference to Section 98 b(3) of the Danish Financial Statements Act.

Note 4. Fees to the auditor appointed at the general meeting

EUR '000	2017/2018
Audit	36
Tax consultancy	1
Total	**37**

Note 5. Depreciation and gains/losses

EUR '000	2017/2018
Depreciation of tangible assets, ref. note 8	6.754
Depreciation	**6.754**
Gains/losses re. sale of tangible assets	1.511
Gains/losses re. sale of financial assets	-257
Gains/losses	**1.255**

Note 6. Result in associated companies

EUR '000	2017/2018
Result in associated companies, ref. note 9	305
Result in associated companies	**305**

Note 7. Tax

EUR '000	2017/2018
Tax on the result for the year	98
Adjustments of tax regarding previous years	-5
Tax for the year recognized in the income statement	**92**

The majority of the Group's income tax base is located in Denmark, and therefore subject to the Danish tonnage tax scheme. The Group continued the tonnage tax scheme after the acquisition of Crystal Nordic, and it is the Group's expectation to continue to participate in the tonnage tax scheme after the binding period expires on 14 January 2026, with an equivalent or higher activity level compared to the time where the Group entered the tonnage tax scheme.

The Group did not own any vessels upon entering the tonnage tax scheme; consequently, the Group has no deferred, or contingent taxes from the transitional period.

Under the tonnage tax scheme, income and expenses from shipping activities are not subject to direct taxation and accordingly an effective rate reconciliation has not been provided as it would not provide any meaningful information. Instead, the taxable income is calculated from:

- The net tonnage of the vessels used to generate the income from shipping activities
- A rate applicable to the specific net tonnage of the vessel based on a sliding scale

Due to the provisions of the tonnage tax scheme, the effective tax rate of the Group is 3.9%.

No deferred tax assets or liabilities are recognised at 31 December 2018. The tax asset of non-recognised tax losses and tax credits carried forward, with certain limitations in subsidiaries and time, amounts to EUR 0 for the Group. There are no unrecognised tax liabilities associated with investments in foreign subsidiaries and jointly controlled companies.

Note 8. Tangible assets

EUR '000	Vessels	Total
Additions related to business combination	67.704	67.704
Disposals during the year	-30.164	-30.164
Cost at 31 December 2018	**37.540**	**37.540**
Depreciation for the year	-7.236	-7.236
Disposals during the year	482	482
Depreciation at 31 December 2018	**-6.754**	**-6.754**
Carrying amount at 31 December 2018	**30.786**	**30.786**

As of 31 December 2018, Management has made an impairment test of the recoverable amount of the Group's fleet. The fleet is seen as one cash-generating unit (CGU).

According to the Group's accounting policy, a write-down is made to the higher of the sales price (less costs to sell) and the value in use.

The estimated sales price less costs to sell is based on indicative broker valuations.

Based on the impairment test, Management has concluded that there is no need to write down the carrying amount of the fleet. Please refer to note 18 for further information.

Note 9. Investments in associated companies

EUR '000	Associated companies	Total
Additions related to business combination	2.072	2.072
Disposals for the year	-2.072	-2.072
Cost at 31 December 2018	**-**	**-**
Share of result for the year	305	305
Disposals for the year	- 305	-305
Revaluation at 31 December 2018	**-**	**-**
Carrying amount at 31 December 2018	**-**	**-**

Note 10. Prepayments

EUR '000	2018
Prepayments regarding time charter and bareboat charter agreements	1
Insurance prepayments	39
Other prepayments to suppliers etc.	214
Prepayments	**254**

Note 11. Loans

EUR '000	2018
Current portion of non-current debt with maturities within 1 year	1.399
Non-current debt with maturities between 1 and 5 years	30.737
Non-current debt with maturities over 5 years	-
Total	**32.136**
Hereof:	
Loans denominated in EUR with floating interest rate	8.533
Loans denominated in EUR with fixed interest rate	23.753
Borrowing costs	-150
Total	**32.136**

The fair value of the loans approximates the carrying amount.

The loan agreements include minimum requirements (financial covenants) for liquidity and other requirements. The requirements were met throughout 2017/2018.

Note 12. Changes in working capital

EUR '000	2017/2018
Change in inventories	-866
Change in trade receivables	-748
Change in other receivables	-229
Change in prepayments	-1.620
Change in trade payables	1.466
Change in other payables excl. accrued interest and tax liabilities	435
Change in working capital excl. accrued interest and tax liabilities	**1.562**

Note 13. Contractual obligations

EUR '000	2018
Contractual obligations	
The Group has contractual obligations re. rent of office etc.	
Contractual obligations with maturities within 1 year	4
Contractual obligations with maturities between 1 and 5 years	-
Contractual obligations with maturities over 5 years	-
Total	**4**

Note 14. Unrecognised contingent assets and liabilities

The Group is not involved in any lawsuits involving claims against the Group. However, claims have been made against the Group regarding demurrage etc. It is Management's opinion that the outcome of these disputes will not have any material impact on the Group's financial position, result or cash flow.

The Group is not involved in any lawsuits, disputes etc. involving claims from the Group against third parties.

The Group has not issued any guarantees.

Note 15. Mortgages and securities

EUR '000	2018
Loans secured by mortgages in vessels	7.134
Carrying amount of vessels being mortgaged	17.796

Note 16. Related party disclosures and transactions with related parties

Related parties with controlling influence

As from 14 December 2017, related parties with controlling influence consist of the Boards of:

1) Coral Tankers Holding GmbH, Hamburg / Germany (100% shareholding in Coral tankers ApS, affiliate)

2) von Rantzau & Co. Handels- und Beteiligungsgesellschaft GmbH (100% shareholding in Coral Tankers Holding GmbH, affiliate)

Transactions with related parties

The related parties comprise the Executive Board, members of the Board of Directors, as well as their close relatives. Related parties also include companies in which the above-mentioned persons have significant interests as well as companies and foundations, which have direct or indirect considerable influence through shareholding.

Remuneration of the Board of Directors and the Executive Management is disclosed in note 3.

During the financial year, related party transactions have been conducted on an arm's length basis.

Note 17. Companies in the Group

Company	Country	Registration number	Owner-ship	Voting rights
Coral Tankers ApS	Denmark	39164353	100%	100%
Crystal Nordic A/S	Denmark	37369306	100%	100%
Crystal Nordic Shipowning K/S	Denmark	37371548	100%	100%
Crystal Nordic Shipowning Partner ApS	Denmark	37369675	100%	100%

Note 18. Accounting policies

Accounting policies in addition to those described in note 1, are as described below.

Consolidated financial statements

The consolidated financial statements include Coral Tankers ApS. (parent company) and the enterprises (subsidiaries) which are controlled by the parent company. Control is achieved when the company:

- has the power of the investee
- is exposed to or has the right to variable returns from involvement with the investee
- has the ability to use its power to affect its returns

The Group's joint control or significant influence over an entity or activity is subject to an assessment of power and exposure to variability in returns. When assessing joint control, an analysis is carried out to determine which decisions require unanimity and whether these concern the activities that significantly affects the return. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement, which is typically relevant for the pool arrangements in which some of the Group's vessels operate. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Basis of consolidation

The consolidated financial statements have been prepared on the basis of the accounts of Coral Tankers ApS and its subsidiaries and joint arrangements. The consolidated financial statements have been prepared by adding together items of a uniform nature. The accounts used for consolidation purposes have been prepared in accordance with the Group's accounting policies. Intercompany income and expenses, intercompany balances and dividends as well as profit and loss from intercompany transactions have been eliminated on consolidation. Subsidiaries' items are recognised in full in the consolidated financial statements. Investments in joint arrangements are recognised and measured in the consolidated financial statements based on the equity method. The proportionate share of the results of the entities after tax and elimination of unrealised proportionate intercompany profits and losses is recognised in the income statement.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

Profits or losses on the sale or settlement of subsidiaries and associates

Profits or losses of sale or settlement of subsidiaries and associates that result in termination of control and significant influence are calculated as the difference between the fair value of the sales proceeds or the settlement amount and the fair value of any remaining equity interests and, on the other hand, the carrying amount of the net assets at the disposal or settlement date, including goodwill, withdrawn any minority interests. The realised profit or loss is recognised in the income statement as well as accumulated exchange rate adjustments previously recognised in other comprehensive income.

Foreign currency translation

The functional and presentation currency of the Group is EUR. On initial recognition, transactions in currencies other than the functional currency of each entity are translated using the exchange rate at the date of the transaction. Receivables, payables and other monetary items in foreign currencies, which have not been settled at the balance sheet date, are translated using the rate of exchange at the balance sheet date. Any exchange differences arising between the rate of exchange at the date of the transaction and the rate of exchange at the date of payment and the balance sheet date, respectively, are recognised in the income statement as financial income and expenses. Property, plant and equipment, intangibles, inventories and other non-monetary assets purchased in foreign currencies and measured using historical costs are translated using the rate of exchange at the date of the transaction.

Income statement

Revenue

Income, including revenue, is recognised in the income statement when:

- The income generating activities have been carried out on the basis of a binding agreement
- The income can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Group
- Costs relating to the transaction can be measured reliably

Revenue comprises freight, demurrage and management fees. Revenue is recognised when it meets the general criteria mentioned above and the stage of completion can be measured reliably. The stage of completion is based on the number of onhire days completed divided by the expected total voyage days for the individual voyage. Accordingly, freight revenue is recognised at selling price multiplied by the stage of completion for voyages in progress at year-end.

Voyage related expenses

These are expenses related to voyages performed by the Group's vessels. Voyage related expenses consist mainly of bunkers, port expenses and commissions. Voyage related expenses are recognised concurrently with the voyage.

Charter hire

Lease payments relating to charter hire (operating leases) are recognised using the straight-line method in the income statement over the term of the leases.

Operating expenses

Operating expenses include costs relating to the operation and maintenance of vessels, including costs relating to crew. Operating expenses are recognised as incurred.

Administrative expenses

Administrative expenses include the cost of offices, personnel costs and administrative costs. Staff costs comprise wages and salaries, social security and pension costs, etc. and are recognised as incurred.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation of tangible fixed assets for the period as well as the impairment of the value of assets by the amount by which the carrying amount of the asset exceeds its recoverable amount. In the event of indications of impairment, the carrying amount is assessed, and the value of the asset is impaired to its recoverable amount equal to the higher of value in use based on net present value of future earnings from the assets and its net selling price.

Financial items

Financial items comprise interest income and expenses, realised and unrealised gains and losses on securities, liabilities and foreign currency transactions, dividends, estimated interest expenses relating to amortisation allowances or deductions relating to mortgage debt etc. as well as surcharges and allowances under the Danish Corporate Tax Scheme.

Interest income and expenses are accrued on the basis of the principal and the effective interest rate. The effective interest rate is the discount rate that will be used to discount the expected future payments that are linked to the financial asset or financial liability so that their present value corresponds to the carrying amount of the asset and liability.

Dividends from investments in equity interests are recognised when a final right has been acquired for the dividend. This will typically be stated at the time of the general meeting's approval of the distribution from the company in question. However, in the consolidated financial statements, this does not apply to investments in associates that are measured using the equity method.

Tax

As the Group is mainly operating in Denmark, the Group's current tax for the year consist's of estimated tax according to the Danish Tonnage Tax Act for all shipping activities, and according to the general tax regulations for net financial income and other activities. Other activities consist of the Group's management activities. Shipping activities are taxed on the basis of the net tonnage (vessels) which the Group has at its disposal.

Based on the Group's planned use of vessels and recovery of reversed depreciation, the tonnage tax regime does not result in a deferred tax liability, but is merely incorporated as a contingent liability.

Balance sheet

Vessels

Vessels are measured at cost less accumulated depreciation and write-downs. All major components of vessels except for dry-docking assets are depreciated on a straight-line basis to the estimated residual value over their estimated useful lives, which the Group estimates to be 25 years. Depreciation is based on cost less the estimated residual value. Residual value is estimated as the light weight tonnage of each vessel multiplied by scrap value per ton. The useful life and residual value of the vessels are reviewed at least at each financial year-end based on market conditions, regulatory requirements and the Group's business plans. Moreover, the Group evaluates the carrying amount of the vessels to determine whether events have occurred that indicate impairment and would require an adjustment of the carrying amounts. Prepayments on vessels under construction are recognised as instalments are paid.

Dry-dockings

The fleet of own vessels is required to undergo planned dry dockings for major repairs and maintenance, which cannot be carried out while the vessels are operating. Dry-dockings are generally required every 30-60 months depending on the nature of the work, and the age of the vessel. Costs relating to dry-dockings are capitalised and depreciated on a straight-line basis over a period of 60 months or to the next dock if within 30 months. The residual value is estimated at zero. A portion of the cost of acquiring a new vessel is allocated to the components which are expected to be replaced or refurbished at the next dry-docking. For new buildings, the initial dry-docking asset is estimated on the basis of the expected costs related to the first-coming docking, which is based on experience with similar vessels. At subsequent dry-dockings, the asset comprises the actual docking costs incurred.

Investments in subsidiaries

Investments in subsidiaries are measured at cost in the parent company's financial statements. Where the recoverable amount of the investment is lower than cost, the investments are written down to this lower value.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity values and plus or minus unreal-ised pro rata intra-group profits and losses.

Associates with negative equity value are measured at EUR 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Inventories

Inventories are measured at cost according to the FIFO method, or net realizable value if lower. Inventories consist of bunkers and lubricants etc. The cost of bunkers and lubricants includes the purchase price and delivery costs.

Receivables

Receivables comprise trade receivables (including accrued income) and other receivables. Receivables are classified as receivables that are financial assets, with fixed or determinable payments, which are not quoted in an active market and which are not derivative financial instruments. Receivables are initially measured at fair value and subsequently at amortised cost, which usually equals the nominal value less provisions for bad debts. Impairments are assessed at an individual level, as well as at a portfolio level using an accrued account.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Non-current and current financial liabilities (interest bearing debt)

Finance loans are initially measured at fair value less any transaction costs. Finance loans are subsequently measured at amortised cost. This means that the difference between the amount on initial recognition and the redemption value is recognised in the income statement as a financial expense over the term of the loan using the effective interest method.

Other liabilities

Other liabilities comprise trade payables (including accrued costs) and other payables to public authorities, etc. Other liabilities are initially measured at fair value less any transaction costs. Liabilities are subsequently measured at amortised cost using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement as a financial expense over the term of the liability.

Cash flow statement

The consolidated cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are stated as the operating profit or loss, adjusted for non-cash operating items and changes in working capital, less corporation tax paid attributable to operating activities.

Cash flows from investing activities include payments in connection with the acquisition and divestment of enterprises and financial assets and the acquisition, development, improvement and sale, etc. of intangibles and property, plant and equipment. Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

Cash flows from financing activities comprise changes in the parent company's share capital and related costs as well as raising and repayment of loans, instalments on interest bearing debt, acquisition of treasury shares and payment of dividend. Cash flows in other currencies than the functional currency are recognised in the cash flow statement using average exchange rates for the respective months, unless these deviate materially from the actual exchange rates ruling at the dates of the transactions. If so, the actual exchange rates are used.

Parent company financial statements

Page

Parent company income statement

14 December 2017 – 31 December 2018

EUR '000	Note	2017/2018
Administrative expenses	2	-3
Operating profit before depreciation etc. (EBITDA)		**-3**
Depreciation		
Impairment losses		-36.704
Share of results of subsidiary companies		39.400
Operating profit (EBIT)		**2.693**
Financial income	3	48
Financial expenses	4	-1.987
Result before tax		**754**
Tax		-
Net result		**754**

Parent company balance sheet

at 31 December 2018

EUR '000	Note	2018
ASSETS		
Investments in subsidiary companies		31.000
Financial assets		**31.000**
Non-current assets		**31.000**
Cash and cash equivalents		184
Current assets		**184**
Assets		**31.184**

Parent company balance sheet

at 31 December 2018

EUR '000	Note	2018
EQUITY AND LIABILITIES		
Share capital		7
Retained earnings		754
Equity		**761**
Provisions		5.081
Non-current liabilities		**5.081**
Loans	5	23.752
Provisions		1.590
Current liabilities		**25.342**
Liabilities		**30.423**
Equity and liabilities		**31.184**
Accounting policies	1	
Unrecognised contingent assets and liabilities	6	

Parent company statement of changes in equity

14 December 2017 – 31 December 2018

EUR '000	Share capital	Retained earnings	Total
Issue of share capital and capital injections during the year	7	-	**7**
Profit for the year	-	754	**754**
Changes in equity	**7**	**754**	**761**
Equity at 31 December 2018	**7**	**754**	**761**

Notes to the parent company financial statements

Note 1. Accounting policies

The financial statements of Coral Tankers ApS for 2017/2018 have been prepared in accordance with the provisions in the Danish Financial Statements Act applying to class B companies.

For a description of the accounting policies, please refer to note 1 and 18 in the consolidated financial statements.

Note 2. Staff costs

Average number of employees	2017/2018
Average number of employees	-

Note 3. Financial income

EUR '000	2017/2018
Interest income from group enterprises	48
Financial income	**48**

Note 4. Financial expenses

EUR '000	2017/2018
Other interest expenses	1.904
Exchange rate losses	83
Financial expenses	**1.987**

Note 5. Loans

EUR '000	2018
Current portion of non-current debt with maturities within 1 year	-
Non-current debt with maturities between 1 and 5 years	23.752
Non-current debt with maturities over 5 years	-
Total	**23.752**

Note 6. Unrecognised contingent assets and liabilities

Coral Tankers ApS is a management company being party to the national Danish joint taxation and VAT scheme. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 for obligations, if any, relating to withholding of tax on interest, royalties and dividend for the jointly taxed companies. As of 31 December 2018, the income taxes payable for the jointly taxed companies were EUR 0.

Statement by the Board of Directors and Executive Management

The Board of Directors and the Executive Management have today considered and approved the consolidated financial statements of Coral Tankers ApS for the financial period 14 December 2017 to 31 December 2018.

The consolidated financial statements are prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium class C companies. The financial statements of the parent company are prepared in accordance with the provisions in the Danish Financial Statements Act applying to class B companies.

In our opinion, the consolidated financial statements and the financial statements of the parent company give a true and fair view of the financial position at 31 December 2018 of the Group and the parent company's operations and the Groups consolidated cash flow for the financial year 2018.

In our opinion the Management review provides a fair review of the development in the operations and financial circumstances of the Group and the parent company, of the results for the period and of the financial position of the Group and the parent company as well as a description of the most significant risks and elements of uncertainty which the Group and the parent company are facing.

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

Koege, 28.03.2019

Executive Management

Jan Eghøj
Chief Executive Officer

Board of Directors

Bent Kemplar *Chairman*	Wilfried Fuhrmann *Board member*	Jan Hammer *Board member*

Jan Eghøj
Board member

Independent auditor's report

To the shareholder of Coral Tankers ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Coral Tankers ApS for the financial period 14.12.2017 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial period 14.12.2017 - 31.12.2018 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 review

Management is responsible for the management review.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management review and, in doing so, consider whether the management review is materially inconsistent with the consolidated financial statements and the parent 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 review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management review is in accordance with the consolidated financial statements and the parent 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 review.

Copenhagen, 28.03.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Henrik Hjort Kjelgaard	Bjarne Iver Jørgensen
State-Authorised	State-Authorised
Public Accountant	Public Accountant
MNE no. 29484	MNE no. 35659

Definitions and glossary

Ratios

Key figures and key ratios are defined and calculated in accordance with the CFA Society Denmark's "Recommendations and Ratios":

Definations and Glossary

Key figures and key ratios are defined and calculated in accordance with the Danish Association of Financial Analyst's "Recommendations and Financial Ratios".

Key ratios	Calculation formula	Comments
TCE-margin (%)	$\frac{\text{TCE earnings}}{\text{Revenue}}$	The key figure reflects the percentage of revenue, minus voyage related costs that cover capacity costs, net financing costs, taxes and profit.
EBITDA-margin (%)	$\frac{\text{EBITDA}}{\text{Revenue}}$	The key figure reflects the entity's operational profitability.
EBIT-margin (%)	$\frac{\text{EBIT}}{\text{Revenue}}$	The key figure reflects the entity's true business costs.
Return on Invested Capital (%)	$\frac{\text{EBITA}}{\text{Avg. invested capital}}$	The key figure reflects the entity's ability to generate return on invested capital through operations.
Return on Equity (%)	$\frac{\text{Result of the year}}{\text{Avg. equity}}$	The key figure reflects an entity's ability to generate returns to shareholder when taking into account the entity's capital base.
Equity ratio	$\frac{\text{Net interest-bearing debt}}{\text{Equity}}$	The key figure reflects the financial gearing of the entity, expressed as the sensitivity to fluctuations in interest rates, etc. A high financial gearing translates into a high financial risk.

Glossary

A **Active Core** Fleet Owned vessels and vessels chartered for more than 13 months (long-term chartered vessels).

Active fleet Owned vessels, vessels chartered for more than 13 months (long-term chartered vessels) and vessels chartered for less than 13 months (short-term chartered vessels).

B **Ballast** Amount of unpaid cargo carried in order to provide sufficient weight to keep a vessel stable.

Ballast leg Voyage with no cargo on board, to position a ship for the next load port or dry-docking.

Ballast tank Tank that can be filled with ballast, to provide stability for the vessel.

Bareboat-charter (BB) An arrangement involving the hiring of a vessel, under which the party that hires the vessel covers crew costs and all other operating expenses, including docking and maintenance, in addition to all voyage-related costs. On its return, the vessel shall be in the same condition as when delivered, normal wear and tear expected.

Barging Transfer of cargo to/from a vessel from/to a barge.

Broker An intermediary in the process of negotiating freight contracts between owners and charterers, the sale and purchase of vessels and similar transactions.

Bloomberg Provider of financial news and data.

Bunker Engine fuel, to power a vessel.

C **CBM** Cubic meter, volume measurement = 1 meter high x 1 meter wide x 1 meter deep = 1 m^3 = 1.000 liters.

CDP Platform for collecting and presenting companies' environmental data to stakeholders.

Charter party (C/P) Agreement between a ship owner and a charterer, outlining terms and conditions governing the transaction. The agreement may be for one or several voyages, or for a certain period.

Charterer The party hiring and paying for vessels or vessel space. This may be the cargo owner, an intermediary or the receiver of the cargo.

Chemical tank Transport of Organic products, inorganic products, Vegetable oils and others.

CO_2 Carbon dioxide.

COA (Contract of Affreightment) Agreement to transport cargo for a predetermined period - 3 months, 5 years, 10 years etc. - and at a predetermined price per ton.

Coating Paint protecting the inside of a vessel's tanks. Usually epoxy- or zinc-based paints.

Commercial management Agreement to operate a vessel on the account and risk of the shipowner.

Coverage Securing employment of a vessel for a longer period of time (see spot market).

CSR (Corporate Social Responsibility) Companies' responsible business practices.

D **Deadweight tonne (dwt)** Measure of the weight-carrying capacity of the vessel.

Deep-sea trade Sea-borne trade along intercontinental trade routes.

Demurrage Compensation paid by the charterer, supplier or receiver of the cargo for time spent during port call in excess of the lay-time stipulated in the Charter Party for loading/discharging operations.

Double Hull Vessels destined with an inner and outer hill, to enhance safety by allowing leakages to be contained in the event of potential groundings or collisions. The space between the inner and outer hull may also be used as ballast tank.

Dry-dock Putting a vessel into dry—dock for inspection and repairs of underwater parts, and painting of the vessel bottom. Usually carried out every 2½th or 5th year.

E **EBIT** Earnings Before Interest and Tax.

EBITA Earnings Before Interest, Tax and Amortisation.

EBITDA Earnings Before Interest, Tax, Depreciation and Amortisation.

Eco vessel Vessel with improved fuel efficiency.

EEOI (Energy Efficiency Opera-tional Indicator) Calculation and analysis system used when measuring CO2 emissions from the vessels.

F **FFA (Forward Freight Agreement)** Forward agreement to purchase or sell the transport of cargo for a particular type of vessel and route at a predetermined price.

Forward rate Market expectations for future rate levels.

G **Gross fleet** Owned vessels, vessels chartered for more than 13 months (long-term chartered vessels), vessels chartered for less than 13 months (short-term chartered vessels) and vessels for delivery.

Gross gearing The ration of the Group's net commitments to equity before deduction of contractually secured cash flows.

I **IEA** International Energy Agency.

IMF International Monetary Fund.

IMO International Maritime Organization - Shipping organisation under the UN.

IMOS Shipping system that supports chartering, operations and accounting related functions for the Group's fleet of chemical tanker vessels.

Inorganic chemicals Chemicals with molecular structure containing no carbon atoms (other than as part of a carbonate group) and which are derived from sources other than hydrocarbons, such as sulphuric acid, phosphoric acid and caustic soda.

INTERTANKO International association of independent tanker owners.

ISMC International Safety Management Code. The first formalised initiative by IMO to provide a universal standard for vessels safety managements systems.

L **LIBOR** London Interbank Offered Rate. The average of interest rates estimated by each of the leading banks in London that it would be charged were it to borrow from other banks.

Liner shipping Voyages with fixed routes.

Long-Term charter Agreement to charter a vessel for more than 13 months.

LTIF (Lost time injury frequency) Number of work-related injuries that make employees unable to work the next workday times one million divided by total number of working hours.

LPG Liquefied petroleum gas.

M **MACN** Maritime Anti-Corruption Network.

MARPOL IMO's international regulations for the prevention of pollution by garbage from ships.

M/T Motor tanker.

MT Metric tonne.

NH3 Ammonia

NOX Mono-nitrogen oxides. Nitrogen combined with oxygen to from a variety of compounds.

N **Net Asset Value (NAV)** Booked equity adjusted for the market value of the fleet.

Net gearing The ratio of the Group's net commitments to equity after deduction of contractually secured cash flows.

O **OECD** Organisation for Economic Co-operation and Development.

Offhire The time a vessel is prevented from being gainfully employed for its owner or charterer, e.g. time used for repairs.

Onhire The time a vessel is gainfully employed for its owner or charterer, e.g. time used on voyages.

Operating expenses Expenses for crew as well as all other expenses directly connected with the running of the vessel, including maintenance and insurance.

Operator activities Combination of cargoes and available vessels in the market.

Operator profit Value added compared to earnings if employed at forward rates at the beginning of the year.

Organic chemicals Chemicals containing carbon-based molecules. Often referred to as petrochemicals when derived from hydrocarbon sources such as oil, gas and coal.

P **Petrochemicals** See organic chemicals.

Pool Group of vessels with different owners but commercially operated together.

Port State Control The countries' technical inspection of foreign vessels calling at their ports.

PPM Parts per million (1 ppm = 0,000001 or 1 mg/kg).

Purchase option A right, but not obligation, to purchase a vessel at an agreed price.

R **RoE** Return on Equity.

RoIC Return on Invested Capital.

S **Segregation** Division of a vessel's cargo space to allow different cargoes being kept completely segregated during the entire voyage, including during loading and unloading.

Short-sea trade Sea-borne trade within a particular trading area (i.e. not intercontinental).

Short-term charter Agreement to charter a vessel for less than 13 months.

SIRE (Ship Inspection Report Programme) The oil companies' inspection of the safety and operational standard of the product tankers.

Solvents Liquids that can dissolve other substances.

SOx The Sulphur oxides SO and SO_2.

Spot Market Day-to-day market for cargo contracts.

Spot rate Cargo freight rate not governed by a contract of affreightment, usually based on the current market level.

STCW International convention on standards of training, certifications, and watch-keeping of seafarers.

T **Time-charter (T/C)** Lease of a vessel whereby the vessel is hired for a short or long period.

TCE (time-charter earnings) Gross freight revenues minus voyage costs divided by number of trading days usually expressed in EUR per day.

Technical management Agreement to manage a vessel's technical operations and crew at the account and risk of the shipowner.

Tonne Gross registered tonne is a volume of 100 cubic feet (2,83 cubic meters). Gross registered tonnage is the volume of the vessels closed areas, excluding the bridge, the galley and a few other areas. Net registered tonnage is the gross tonnage less volumes needed for the operation of the vessel (deck, storage room, engine room etc.), i.e. the volume available for cargo.

Tonne-mile A measure of demand for capacity. Calculated as the freight amount times the transport distance in nautical miles.

Trade Geographical area where a vessel mainly trades.

Trading days Days a ship is not off-hire.

Transshipment Transfer of cargo from one vessel to another, e.g. from a vessel within global trade to a coaster or barge within regional trade bound for final destination.

Triton Triton Managers III Limited, Triton III Funds, Triton III F&F Limited and Triton III F&F Funds.

U **UN Global Compact** The UN's corporate sustainability initiative.

USDA United States Department of Agriculture.

V **Vessel days** Total number of days with available vessel capacity.

Vetting Collective term for the many kinds of inspections of chemical tankers – including SIRE inspections – which the oil companies carry out themselves or demand to have carried out.

Voyage charter Agreement for the transportation of cargo from the port(s) of loading to the port(s) of unloading. Payment is normally per tonne of cargo, and the ship owner pays for bunkers, port and canal charges and other voyagerelated costs.

Voyage expenses Expenses directly relating to the voyage, such as bunkers, port charges, canal dues, etc.

Company information

Coral Tankers ApS
Galoche Allé 15
4600 Koege
Denmark
Registration no. 39 16 43 53
www.crystalnordic.com

Group structure
Please refer to note 17 in the consolidated financial statement.

Board of Directors and Management

BOARD OF DIRECTORS – Coral Tankers ApS

- Bent Kemplar - Chairman of the Board
- Jan Hammer
- Wilfried Fuhrmann
- Jan Eghøj

KEY MANAGEMENT PERSONNEL
- Jan Eghøj – Chief Executive Officer