



## Raphaelle Shipping 2 A/S

Kalvebod Brygge 39-41  
DK - 1560 Copenhagen  
CVR No. 40 53 62 99

### Annual report

for the year ended 31 December 2019

Approved at the annual general meeting of shareholders  
on 4 June 2020

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Pia Lindberg

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## **Company details**

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Kalvebod Brygge 39-41  
DK – 1560 Copenhagen  
CVR No. 40 53 62 99

### ***Board of Directors***

Jacques Marie Joseph Narcisse d'Armand de Chateauvieux (Chairman)  
Christian Franck Lefevre  
Steffen Ulrik Jacobsen

### ***Executive Board***

Steffen Ulrik Jacobsen, (CEO)

### ***Auditors***

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
DK – 2300 Copenhagen S

## Statement by Executive Board and Board of Directors on the annual report

Today, Executive Board and Board of Directors have discussed and approved the annual report of Raphaëlle Shipping 2 A/S for the financial year 22 May (date of formation) – 31 December 2019.

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 Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 22 May – 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

We recommend that the annual report is approved by the annual general meeting of shareholders.

Copenhagen, 4 June 2020

Executive board:

.....  
Steffen Jacobsen

Board of Directors:

.....  
Jacques Marie Joseph Narcisse  
d'Armand de Chateaufieux  
(chairman)

.....  
Christian Franck Lefevre

.....  
Steffen Ulrik Jacobsen

## **Independent auditors' report**

### **To the shareholder of Raphaelle Shipping 2 A/S**

#### **Opinion**

We have audited the financial statements of Raphaelle Shipping 2 A/S for the financial year 22 May – 31 December 2019, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2019 and of the results of its operations for the financial year 22 May – 31 December 2019 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

#### **Statement on management's review**

Management is responsible for management's review.

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

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

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

Copenhagen, 4 June 2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

Kim Takata Mücke

State-Authorised

Public Accountant

MNE no 10944

Martin Pieper

State-Authorised

Public Accountant

MNE no 44063

## **Management's review**

### **Business activities and mission**

The objectives of the company are to carry on shipping business.

### **Business review**

The Company's result for the period 22.05-31.12.2019 is a loss of USD 145.823, and the Company's balance sheet at 31 December 2019 shows an equity of USD (70,787).

The Company expects for 2020 a positive result of USD 15.967. The vessel will be delivered into T/C contract upon delivery from yard wherefor the vessels will start earning as from delivery date. As the delivery date is end July/beginning of August 2020 the financial year will only cover 5 months activity which is the reason for the low result.

The result for 2020 will not be sufficient to fully re-establish the equity loss, but for 2021 the result is expected to be sufficient to re-establish the remaining equity.

### **Going concern assessment**

For a description of the going concern assessment at 31 December 2019, refer to note 1.

### **Subsequent event**

The consequences of the COVID-19 outbreak in 2020 is discussed in note 1.



## **Accounting policies**

The annual report of Raphaele Shipping 2 A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities with addition of certain provisions for reporting class C.

### **Reporting currency**

The financial statements are presented in USD, based on bookkeeping records maintained in USD. The financial statements are presented in USD to match the functional currency of the company, which is also USD. The exchange rate between USD/DKK per 31 December 2019 was 6.67.

### **Foreign currency retranslation**

Transactions denominated in foreign currencies are translated into USD at the exchange rates at the date of the transaction.

Monetary items denominated in foreign currencies are translated into USD at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses are recognized in the income statement as financial income/expenses.

## **Income statement**

### **Revenue**

Income is recognized 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 Company
- Costs relating to the transaction can be measured reliably

Revenue comprises charter hire from the vessels. Revenue is recognized when or as performance obligations are satisfied by transferring the promised services to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably. Revenue is measured at the consideration that the Company expect to be entitled to.

### **Other external expenses**

Other external expenses include expenses related to sale, administration, etc.

### **Gross profit**

With reference to section 32 of the Danish Financial Statements Act, the items Revenue through other external expenses are combined into one-line item designated Gross profit.

## Accounting policies - continued

### Depreciation and impairment of fixed assets

Depreciation include depreciation and impairment of fixed assets.

Fixed assets are depreciated on a straight-line basis to the residual value, based on the cost less impairment, based on the following assessment of the useful lives:

	<u>Useful life</u>
Vessel	25 years
Dry Dock	5 years

Residual value for the vessel is estimated to 6.8 MUSD and for dry docking residual is estimated to nil. The residual value is determined at the time of acquisition based on the market steel price and are reassessed every year.

Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized. In case of changes in the residual value, the effect on the depreciation charges is recognized prospectively as a change in accounting estimates.

Gains or losses on the sale of fixed assets are recognized in the income statement under 'Other income/Other expenses'.

### Net Financials

Financial income and expenses are recognized in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, exchange gains and losses, amortization of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme etc.

### Tax

Tax for the year includes current tax on the year's expected taxable income according to Tonnage Tax Scheme.

The parent and all Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation method).

The parent acts as a management company for all the companies encompassed by the joint taxation arrangement, meaning that the parent is responsible for ensuring that corporate taxes, etc. are paid to the Danish tax authorities.

Jointly taxed companies entitled to a tax refund are, at a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a minimum, a surcharge according to the management company.

## **Accounting policies - continued**

### **Balance sheet**

#### **Vessels**

Vessels are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures (e.g. interests) that are directly attributable to the acquisition of the vessels. The cost is split into vessel and dry docking components.

All separate components are depreciated on a straight-line basis over the useful life of the separate item.

Depreciation is based on cost less the estimated residual value. The residual value of the vessels is estimated as the lightweight tonnage of each vessel multiplied by expected steel price per ton.

The residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

Components of vessels are de-recognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on de-recognition of an asset is included in the income statement in the year the asset is de-recognized.

An impairment test is prepared if there are indications of decreases in value. The impairment test is prepared for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances.

## **Accounting policies - continued**

### **Equity**

Dividends proposed for the reporting period are presented as a separate item under 'Equity'.

### **Income taxes**

Income taxes is calculated according to the regulations of the Danish Tonnage Tax Act for shipping activities and according to general tax regulation for net financial income. Shipping activities are taxed on the basis of the net tonnage a disposal. For 2019 all income is subject to ordinary Company taxation, as the activities subject to Danish Tonnage Tax Act first will be initiated during 2020.

### **Financial liabilities**

Financial liabilities are recognized initially at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortized cost, using the effective interest rate method.

### **Other liabilities**

Other liabilities are measured to amortized cost, which essentially corresponds to the fair value.

**Income statement**  
**22 May – 31 December 2019**

	Notes	2019 8 mth USD
<b>Gross loss</b>		(144,117)
Depreciation of fixed assets		<u>0</u>
<b>Loss before net financials</b>		(144,117)
Other financial income		6
Other financial expenses	3	<u>(1,712)</u>
<b>Loss before tax</b>		(145,823)
Tax for the year	4	<u>0</u>
<b>Net loss for the year</b>		<u><u>(145,823)</u></u>

Which the supervisory board recommends is carried forward to next year.

**Proposed distribution of profit/loss**

Transferred to retained earnings	<u>(145,823)</u>
<b>Total appropriation</b>	<u><u>(145,823)</u></u>

**Balance sheet  
at 31 December**

	Notes	2019 USD
<b>Assets</b>		
<b>Non-current assets</b>		
<b>Fixed assets</b>		
Vessel under construction	5	<u>29,215,000</u>
		<u>29,215,000</u>
<b>Total non-current assets</b>		<u><b>29,215,000</b></u>
<b>Current assets</b>		
<b>Receivables</b>		
Other receivables		<u>36,000</u>
		<u>36,000</u>
<b>Cash and cash equivalents</b>		<u>623,214</u>
<b>Total current assets</b>		<u>659,214</u>
<b>Total assets</b>		<u><b>29,874,214</b></u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital		75,036
Retained earnings		<u>(145,823)</u>
<b>Total equity</b>		<u><b>(70,787)</b></u>
<b>Liability</b>		
Payables to group enterprise		<u>29,945,000</u>
<b>Short-term liability</b>		<u>29,945,000</u>
<b>Total liability</b>		<u>29,945,000</u>
<b>Total equity and liabilities</b>		<u><b>29,874,214</b></u>
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## Notes

### **Note 1. Going concern and subsequent events**

As per 31 December 2019, the Company's equity is negative by TUSD 71 and current liabilities exceeded its current assets by TUSD 29.285.

The liability mainly consist of loan from the parent Company to cover installments paid on the new building. This loan is expected to be converted into equity during 2020.

Due to the unfortunate outbreak of the COVID-19 in 2020, the Company has taken measures to secure timely delivery of the vessel. As per the date of the approval of this report, the delivery of the vessel is not expected to be delayed nor is additional cost due to COVID-19 expected to have significant influence on the financial performance of the Company. Therefore, the Board of Directors has assessed that significant accounting estimates and judgements have not been changed due to the COVID-19 outbreak.

Expected delivery of the vessel is end July/beginning of August 2020. The Company is working on the financing of the delivery installment for the vessel with several financing institutes. Due to the positive interest from a number of financing institutes, the attractive price and the fixed time charter contract securing a profit for a period from delivery date of the vessel and 5 years onwards, the Board of Directors is comfortable that financing soon will be obtained to secure timely delivery of the vessel.

The Board of Directors has considered the Company's cash flow forecast for a period not less than 12 months from the date of the balance sheet. The current cash flow forecast for 2020 is positive based on the assumption that the vessel will be delivered as expected.

Based on above, the Board of Directors has concluded that is appropriate for the Company continues to apply the going concern principle when preparing the financial statements.

### **Note 2. Employee expenses**

No wages and salaries were paid during the financial year as the Company has no employees.

## Notes - continued

2019  
USD

### Note 3. Other financial expenses

Other financial expenses	<u>1,712</u>
	<u><u>1,712</u></u>

### Note 4. Tax for the year

The taxable income for 2019 is calculated based on the rules under the Danish Tonnage tax regime.

The Company is jointly taxed with Evergas A/S, which acts as management company, and is jointly liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

### Note 5. Fixed assets

	Vessel under construction <u>USD</u>
<b>Cost</b>	
Balance at 22/5 2019	0
Additions in the year	29,215,000
Disposals in the year	<u>0</u>
<b>Cost at 31/12 2019</b>	<b><u><u>29,215,000</u></u></b>
<b>Depreciation</b>	
Balance at 22/5 2019	0
Depreciation in the year	<u>0</u>
<b>Depreciation at 31/12 2019</b>	<b><u>0</u></b>
<b>Carrying amount at 31/12 2019</b>	<b><u><u>29,215,000</u></u></b>

The carrying amount of the vessel under construction includes borrowing costs arising from financing the construction of the vessels. Borrowing costs capitalized as part of the cost of this vessel amounts to US\$ 1,715,000 as 31 December 2019.

### Note 6. Contingent liabilities and other financial obligations

At 31 December 2019, the Company has obligations under a Technical Management agreement of totally USD 234,550 and a capital commitments of USD 82.500.000 relating to the remaining instalments of the vessel under construction.



## **Notes - continued**

### **Note 7. Related parties**

Related parties includes the parent company Greenship Gas Trust, 21 Ubi Road 1, #06-01 Singapore, which holds the entire share capital in the Company.

The consolidated financial statements of Greenship Gas Trust is available at the Company's address: Kalvebod Brygge 39-41, Copenhagen DK-1560.