Consolidated financial statements of Njord for 2013 and 2014

Statement by the Board of Directors on the Consolidated Financial Statements of OCM (Gibraltar) Njord Midco Ltd as at and for the Financial Years Ended 31 December 2013 and 2014

The board of directors of OCM (Gibraltar) Njord Midco Limited has today considered and approved the consolidated financial statements of OCM (Gibraltar) Njord Midco Ltd including its subsidiaries ("**Njord Group**"). The consolidated financial statements comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies for the Njord Group as at 31 December 2013 and 2014.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

In our opinion, the consolidated financial statements give a true and fair view of the Njord Group's development and results for the year.

23 November 2015

Board of directors

Cheam Directors Limited   Mads Peter Zacho

Independent auditor's report

To the shareholder of OCM (Gibraltar) Njord Midco Ltd

Report on the consolidated financial statements

We have audited the consolidated financial statements of OCM (Gibraltar) Njord Midco Ltd including its subsidiaries ("Njord Group") for the financial period 30 April 2013 - 31 December 2013 and the financial year 1 January 2014 - 31 December 2014, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Njord Group. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Njord Group's financial position at 31 December 2013 and 2014, and of the results of their operations and cash flows for the financial period 30 April 2013 - 31 December 2013 and for the financial year 1 January 2014 - 31 December 2014 are in accordance with International Financial Reporting Standards as adopted by the European Union.

Copenhagen, 23 November 2015

Deloitte

Statsautoriseret Revisionspartnerselskab

Sumit Sudan
State Authorised Public Accountant

Consolidated Financial Statements of Njord for 2013 and 2014

OCM (GIBRALTAR) NJORD MIDCO LTD
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For The Years Ended 31 December 2013 and 2014
(Expressed in USDm)

	Note	2013*	2014
Revenue		23.2	179.9
Port expenses, bunkers and commissions		(12.0)	(81.2)
Operating expenses		(5.6)	(50.3)
Administrative expenses	3	(0.5)	(1.0)
Other operating expenses		(0.4)	(6.5)
Depreciation		(3.0)	(24.8)
Operating profit		**1.7**	**16.1**
Financial expenses	5	-	(3.5)
Profit before income tax		**1.7**	**12.6**
Tax expenses			
Net profit for the year		**1.7**	**12.6**
Total comprehensive income for the year		**1.7**	**12.6**
Earnings per share (USD)	**16**	**0.2**	**0.4**
Diluted earnings per share (USD)	**16**	**0.2**	**0.4**

* For the period 30 April 2013 to 31 December 2013

The accompanying notes are an integral part of these financial statements.

OCM (GIBRALTAR) NJORD MIDCO LTD
CONSOLIDATED BALANCE SHEETS
As of 31 December 2013 and 2014
(Expressed in USDm)

	Note	2013	2014
ASSETS			
NON-CURRENT ASSETS			
Tangible fixed assets			
Vessels and capitalised dry-docking		183.7	502.2
Prepayments on vessels		-	34.7
Total tangible fixed assets	**4**	**183.7**	**536.9**
CURRENT ASSETS			
Bunkers		4.5	13.3
Freight receivables	6	8.4	35.2
Other receivables	6	0.4	0.7
Prepayments		3.2	1.7
Cash and cash equivalents		1.6	38.1
Total current assets		**18.1**	**89.0**
Total assets		**201.8**	**625.9**
EQUITY AND LIABILITIES			
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank loans	12	-	125.3
Total non-current liabilities		**-**	**125.3**
CURRENT LIABILITIES			
Trade payables	9	-	11.9
Other liabilities	9	0.5	1.4
Bank loans	11, 12	-	16.2
Deferred income		-	1.6
Total current liabilities		**0.5**	**31.1**
Total liabilities		**0.5**	**156.4**
EQUITY			
Share capital	7	88.0	88.0
Retained earnings		113.3	381.5
Total equity		**201.3**	**469.5**
Total equity and liabilities		**201.8**	**625.9**

The accompanying notes are an integral part of these financial statements.

OCM (GIBRALTAR) NJORD MIDCO LTD
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
As of 31 December 2013 and 2014
(Expressed in USDm)

	Issued capital*	**Other reserves**	**Retained earnings**	**Total equity**
Equity at 30 April 2013 (Date of incorporation)*	0.0	-	-	-
Effect on 30 April 2013 of the reverse business combination	88.0	-	(88.0)	0.0
Changes in equity 2013				
Transactions with owners of Njord				
Contribution to other reserves	-		199.6	**199.6**
Total comprehensive income				
Profit and total comprehensive income	-	-	1.7	**1.7**
Total changes in equity 2013	-	-	201.3	**201.3**
Equity at 31 December 2013*	88.0	-	**113.3**	**201.3**
Changes in equity 2014				
Transactions with owners of Njord				
Contribution to other reserves	-	-	256.7	**256.7**
Total comprehensive income				
Profit and total comprehensive income	-	-	12.6	**12.6**
Dividend paid			(1.1)	**(1.1)**
Total changes in equity 2014	-	-	**268.2**	**268.2**
Equity at 31 December 2014*	88.0	-	**381.5**	**469.5**

*Issued Capital was USD16,340 at 30 April 2013 and 31 December 2013 and 2014. Issued capital has been adjusted to reflect the nominal capital of TORM A/S as a result of the reverse business combination. Please refer to note 7.

The accompanying notes are an integral part of these financial statements.

OCM (GIBRALTAR) NJORD MIDCO LTD
CONSOLIDATED STATEMENTS OF CASH FLOW
For The Years Ended 31 December 2013 and 2014
(Expressed in USDm)

	Note	2013	2014
CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES			
Net profit for the period		1.7	12.6
Depreciation		3.0	24.8
Finance expenses		-	0.2
Changes in bunkers, receivables and payables	14	(15.9)	(20.2)
Net cash flow (used in)/from operating activities		**(11.2)**	**17.4**
CASH FLOW USED IN INVESTING ACTIVITIES			
Investment in tangible fixed assets	4	(186.8)	(378.0)
Net cash flow used in investing activities		**(186.8)**	**(378.0)**
CASH FLOW FROM FINANCING ACTIVITIES			
Bank loans		-	141.5
Shareholders' equity contributions		199.6	256.7
Dividends paid		-	(1.1)
Net cash flow from financing activities		**199.6**	**397.1**
Net change in cash and cash equivalents		**1.6**	**36.5**
Cash and cash equivalents, at 30 April/1 January		**-**	**1.6**
Cash and cash equivalents, at 31 December		**1.6**	**38.1**

*For the period 30 April 2013 to 31 December 2013

The accompanying notes are an integral part of these financial statements.

OCM (GIBRALTAR) NJORD MIDCO LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2014

Corporate information

Prior to the contribution described below, the reporting entity consisted of OCM (Gibraltar) Njord Midco Ltd ('Njord') and its subsidiaries (together the 'Njord Group'), which was a shipping group with a portfolio of vessels registered in Singapore and another portfolio of vessels registered in the Marshall Islands. The Njord Group invested in product tankers, engaged a business partner to operate them and collected revenue from the rental of the vessels.

Njord was a limited company incorporated on 30 April 2013 for an unlimited duration and registered in Gibraltar under 109714. Prior to the contribution Njord had its registered office at 57/63 Line Wall Road, Gibraltar.

In April 2013, Njord Group acquired eight vessels, of which five vessels were acquired from TORM A/S. These eight vessels represent Njord Group's initial operating vessels. The eight vessels acquired were delivered in the period from May to November 2013. In 2014, Njord acquired an additional 17 vessels from TORM A/S, which were delivered in the period from March to June 2014. In addition, Njord Group entered into six newbuilding agreements in the latter part of 2013 on which instalment payments began in 2014. 22 of the 25 vessels were placed under technical and commercial management in TORM A/S. The revenue through shipping activities was conducted through a revenue sharing scheme (pool) with TORM A/S and with TORM A/S as commercial manager.

The object of Njord Group was the acquisition of participations, in Gibraltar or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. Njord may in particular acquire by subscription, purchase, and exchange or in any other manner any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally any securities and financial instruments issued by any public or private entity whatsoever. It may participate in the creation, development, management and control of any company or enterprise. It may further invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin whatsoever.

Until 13 July 2015 Njord was owned by OCM Njord Holdings S.à r.l. ("**Njord Luxco**"), which was controlled by OCM Luxembourg OPPS VIIIB S.à.r.l., OCM Luxembourg IX S.à.r.l, and OCM Luxembourg OPPS IX (PARALLEL 2) S.à.r.l. which are owned by funds managed by Oaktree Capital Management.

On 13 July 2015 Njord Luxco contributed its shares in Njord into TORM A/S in exchange for a controlling interest in TORM A/S. Subsequent to the contribution in the financial statements of TORM A/S the contribution has been accounted for as a reverse acquisition in accordance with IFRS 3, "Business Combinations", which means that, for financial reporting purposes, Njord is considered the accounting acquirer and the continuing reporting entity. Because of the reverse acquisition in 2015 the share capital and the calculation of earnings per share in these financial statements has been retrospectively adjusted to reflect the structure of the shares in TORM A/S.

Before the contribution Njord Group owned, and operated, MR and LR2 size vessels primarily engaged in the transportation of refined oil products such as gasoline, jet fuel, and naphtha and gas oil. The LR2 tankers of approximately 100,000 to 105,000 dwt primarily transport naphtha between the Arabian Gulf and Japan and other East Asian countries. The MR product tankers of approximately 40,000 to 50,000 dwt operate in the above mentioned areas and in the U.S., Africa, Europe and the Caribbean.

NOTE 1 - ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

Njord has elected to present a single statement of comprehensive income and presents its expenses by nature.

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention.

ADOPTION OF NEW OR AMENDED IFRSs

Njord has implemented the following interpretations in the financial statements for 2014:

IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements (as revised in 2011)", IAS 28 "Investments in Associates and Joint Ventures (as revised in 2011)" and Amendments to IFRS 10, IFRS 12 and IAS 27 for "Investments Entities".

Implementation of these standards did not have any effect on the accounting policies.

Moreover, Njord has implemented the minor changes to:

IAS 32 "Financial Instruments : Presentation" - Amendments relating to the offsetting of assets and liabilities

IAS 36 "Impairment of Assets" - Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 "Financial Instruments: Recognition and Measurement" - Amendments for novations of derivatives

The implementation of the amendments did not affect Njord Group's accounting policies.

ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

New and revised standards that are effective for annual periods beginning on or after 1 January 2014:

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Njord Group, except the following set out below that potentially could have effect:

IFRS 9, 'Financial instruments', the standard and subsequent amendments will substantially change the classification and measurement of financial instruments and hedging requirements. IASB has tentatively decided that the mandatory effective date of the standard will be no earlier than annual periods beginning on or after 1 January 2018.

IFRS 15 "Revenue from Contracts with Customers": IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

This standard will become effective for annual periods beginning on or after 1 January 2018.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Njord Group.

The impact on the consolidated financial statements has not yet been determined on a sufficiently reliable basis.

KEY ACCOUNTING POLICIES

The Management considers the following to be the most important accounting policies for Njord Group.

Participation in revenue share scheme (pool)

Njord Group generates its revenue from shipping activities, which until 30 September 2014 were conducted through a revenue sharing scheme (pool) with TORM A/S and with TORM A/S as commercial manager after 30 September 2014. The revenue sharing scheme was considered a joint operation of the commercial employment of the vessels, which is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and liabilities relating to the arrangement. Joint control is considered to be the contractually agreed sharing of control of the arrangement, where the decisions for the relevant activities require unanimous consent from the partners in the arrangement.

The manager of a pool has the responsibility for the commercial management of the participating vessels, including the marketing, chartering, operation and bunker (fuel oil) purchase of the vessels. The pool participants remain responsible for all other costs including the financing, insurance, manning and technical management of their vessels. The earnings of all of the vessels are aggregated and divided according to the relative performance capabilities of the vessel and the actual earning days each vessel is available.

Total pool revenue is generated from each vessel participating in the pool in which the vessel participates and is based on either voyage or time charter parties. The pool measures revenues based on the contractual rates and the duration of each voyage, and net revenue is recognised upon delivery of services in accordance with the terms and conditions of the charter parties.

Njord Group’s share of the income in the pool was primarily dependent on the number of days Njord’s vessel has been available for the pool in relation to the total available pool earning days during the period.

Vessel and capitalised dry-docking

Vessel

Njord Group owns a fleet of LR2 and MR tanker vessels. The vessels are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises of acquisition cost only. All major components of vessel except for dry-docking costs are depreciated on a straight-line basis to the estimated residual value over their estimated useful lives, estimated to be 25 years. Njord Group considers that a 25-year depreciable life is consistent with that used by other ship-owners with comparable tonnage. Depreciation is based on cost less the estimated residual value. Residual value is estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton.

The useful life and the residual value of the vessel is reviewed at least at each financial year-end based on market conditions, regulatory requirements and Njord Group’s business plans. Njord Group also evaluates the carrying amounts to determine if events have occurred that indicate impairment and would require a modification of their carrying amounts.

Dry-docking

Approximately every 30 and 60 months depending on the nature of work and external requirements, the vessels are required to undergo planned dry-dockings for replacement of certain components, major repairs and maintenance of other components, which cannot be carried out while the vessels are operating. These dry- docking costs are capitalised and depreciated on a straight-line basis over the estimated period until the next dry-docking. The residual value of such components is estimated at nil. The useful life of the dry-docking costs are reviewed at least at each financial year-end based on market conditions, regulatory requirements and Njord Group’s business plans.

A portion of the cost of acquiring a new vessel is allocated to the components expected to be replaced or refurbished at the next dry-docking. Depreciation hereof is carried over the period until the next dry-docking. For newbuildings, the initial dry-docking asset is estimated based on the expected costs related to the first- coming dry-docking, which again is based on experience and past history of similar vessels. For second-hand vessels, a dry-docking asset is also segregated and capitalised separately, taking into account the normal docking intervals of Njord Group.

At subsequent dry-dockings the costs comprise the actual costs incurred at the dry-docking yard. Dry-docking costs may include the cost of hiring crews to effect replacements and repairs and the cost of parts and materials used, cost of travel, lodging and supervision of Njord Group personnel and the cost of hiring third-party personnel to oversee a dry-docking. Dry-docking activities include, but are not limited to, the inspection, service on turbocharger, replacement of shaft seals, service on boiler, replacement of hull anodes, applying of antifouling and hull paint, steel repairs and refurbishment and replacement of other parts of the vessel.

Impairment of non-financial assets

Njord Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, Njord Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, Njord Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

OTHER ACCOUNTING POLICIES

Consolidation

Subsidiaries
The consolidated financial statements incorporate the financial statements of Njord and entities controlled by Njord and its subsidiaries. Control is achieved when Njord:

has power over the investee;

is exposed, or has rights to variable returns from its involvement with the investee; and

has the ability to use its power to affect its returns.

Subsidiaries are fully consolidated from the date on which control is assumed by the Njord Group. They are deconsolidated from the date that control ceases.

All the Njord Group companies have 31 December as their year-end. Consolidated financial statements are prepared using uniform accounting policies for the transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Njord Group.

Intercompany transactions, balances, income and expenses and unrealised gains on transactions between Njord Group companies are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Foreign currency translation

Functional and presentation currency
The functional currency of all entities is United States dollars, because Njord Group's vessels operate in international shipping markets, in which income and expenses are settled in United States dollars and our assets and liabilities are denominated in United States dollars.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Inventories

Inventories stated at the lower of cost and net realisable value. Cost is determined using the FIFO method and includes expenditures incurred in acquiring the bunkers and luboil and delivery cost less discounts.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Njord Group's inventories consist of bunkers, fuel for powering the ship, and essential lubricating oils.

Financial assets

Financial assets in the scope of IAS 39 are classified based on their nature and their characteristics in one of the following four categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held to maturity investments, and
- available for sale financial assets.

Financial assets are recognised initially at cost, which represents their fair value (plus, in certain cases, directly attributable acquisition/transaction costs).

Njord Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The main category of financial asset as defined in IAS 39 which is relevant in Njord Group's financial statements is trade receivables, which is categorised as loans and receivables.

Trade receivables

Receivables are recognised as assets when the Njord Group becomes a party to the contractual provisions of the financial transaction and are measured initially at fair value adjusted for transaction costs.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Receivables are derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a receivable in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Prepayments

Prepayments are carried at cost less any accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with banks.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Current tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Njord Group operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences except:

where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and

in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all, or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Financial liabilities

Financial liabilities in the scope of IAS 39 are classified based on their nature and their characteristics in one of the following categories:

Financial liabilities at fair value through profit and loss, and

Loans and borrowings

Financial liabilities are recognised initially at cost which represents their fair value, and in case of loans and borrowings net of directly attributable transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Njord Group’s financial liabilities include borrowings and trade and other payables.

Provisions

Provisions are recognised when:

the Njord Group has a present legal or constructive obligation as a result of past events;

it is probable that an outflow of resources will be required to settle the obligation; and

the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying Njord Group’s accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements below.

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities.

Actual amounts may differ from these estimates.

In particular, Management must make estimates and assumptions in the following areas:

Carrying amounts of vessels

Njord Group evaluates the carrying amounts of the vessels to determine if events have occurred that would require a modification of their carrying amounts. The valuation of vessels is reviewed based on events and changes in circumstances that would indicate that the carrying amount of the assets might not be recovered. In assessing the recoverability of the vessels, Njord Group reviews certain indicators of potential impairment such as reported sale and purchase prices, market demand and general market conditions. Furthermore, market valuations from leading, independent and internationally recognised shipbroking companies are obtained on a quarterly basis as part of the review for potential impairment indicators. If an indication of impairment is identified, the need for recognising an impairment loss is assessed by comparing the carrying amount of the vessels to the higher of the fair value less cost to sell and the value in use.

The review for potential impairment indicators and projection of future undiscounted and discounted cash flows related to the vessels is complex and requires Njord Group to make various estimates including of future freight rates, earnings from the vessels and discount rates. All of these factors have been historically volatile.

The carrying amounts of Njord Group's vessels may not represent their fair market value at any point in time as market prices of second-hand vessels to a certain degree tend to fluctuate with changes in freight rates and the cost of newbuildings. However, if the estimated future cash flow or related assumptions in the future experience change, an impairment write-down of vessels may be required.

NOTE 2 - SUBSEQUENT EVENTS

Subsequent events

Njord continues to pay instalments to the Sungdong shipyard regarding the six newbuildings, in 2015 a further USD102.2m had been paid. The remaining instalments will be funded via recycled Njord Group earnings and equity from the parent owning companies.

In April 2015, a restructuring agreement between the OCM Njord Holdings S.à.r.l., TORM A/S and TORM A/S' lenders was signed. OCM Njord Holdings S.à.r.l. will contribute OCM (Gibraltar) Njord Midco Ltd and all of its subsidiaries to TORM A/S in exchange for shares in TORM A/S. OCM Njord Holdings S.à.r.l. will own approximately 62% of TORM A/S. The transaction was completed on 13 July 2015.

The transaction will be accounted for as a reverse acquisition in accordance with IFRS 3, "Business combinations", which means that for financial reporting purposes, Njord and its subsidiaries are considered to be the accounting acquirer and as such, the continuing reporting entity. Consequently, the consolidated financial information for the full year 2015 will reflect the activities of Njord only during the period from 1 January 2015 and until completion of the 2015 Restructuring (being 13 July 2015), whereas the period from completion of the 2015 Restructuring and until 31 December 2015 will reflect the combined activity of TORM A/S and Njord.

In October 2015 Njord took delivery of two secondhand MR product tankers, *Maxwell Bay* and *Halstead Bay*, which subsequently were renamed to *TORM Astrid* and *TORM Loke* respectively. Furthermore, Njord took delivery of one newbuilding, the *TORM Thor*, from the Sungdong shipyard.

Approval of financial statements

The financial statements were approved by the Board of Directors and authorised on 23 November 2015.

NOTE 3 - ADMINISTRATIVE EXPENSES

Njord Group paid the following amounts to its auditors in respect of the audit of the financial statements and for other services:

	For the year ended 31 December	
	2013	**2014**
(USDm)		
Fees payable for local statutory audits of subsidiaries	0.1	0.1
Taxation services fees	0.1	-
Total auditor fees	**0.2**	**0.1**

NOTE 4 - TANGIBLE FIXED ASSETS

(USDm)	**Vessels**	**Dry-docking**	**Prepay-ments on vessels**	**Total**
Cost:				
Balance at 30 April 2013	-	-	-	-
Additions	180.0	6.8	-	186.8
Balance at 31 December 2013	**180.0**	**6.8**	**-**	**186.8**
Accumulated Depreciation				
Balance at 30 April 2013	-	-	-	-
Depreciation for the period	(2.1)	(1.0)	-	(3.1)
Balance at 31 December 2013	**(2.1)**	**(1.0)**	**-**	**(3.1)**
Carrying amount at 31 December 2013	**177.9**	**5.8**	**-**	**183.7**
Cost:				
Balance at 1 January 2014	180.0	6.8	-	186.8
Additions	323.5	19.8	34.7	378.0
Balance at 31 December 2014	**503.5**	**26.6**	**34.7**	**564.8**
Accumulated Depreciation				
Balance at 1 January 2014	(2.1)	(1.0)	-	(3.1)
Depreciation for the year	(16.5)	(8.3)	-	(24.8)
Balance at 31 December 2014	**(18.6)**	**(9.3)**	**-**	**(27.9)**
Carrying amount at 31 December 2014	**484.9**	**17.3**	**34.7**	**536.9**

The above consists of vessels purchased by during the period from incorporation on 30 April 2013 to 31 December 2013 and during the year ended 31 December 2014. In total, 25 product tankers (22 MR and 3 LR2 vessels) were purchased during the period ranging in cost from between USD9.9m and USD29.4m. The cost of the vessels comprises its purchase price only. In 2013, entities in the Njord Group signed shipbuilding contracts to build 6 MR product tankers. During 2014, the Njord Group paid instalments to the shipyard (no instalments were paid in 2013). These amounts have been capitalised and are included in the above. Other costs, such as supervision costs have also been capitalised.

NOTE 5 - FINANCIAL INCOME AND EXPENSES

The 2014 finance expenses of the Njord Group total USD3.5m and consist of interest charges on bank loans. In 2013 the finance expenses of the Njord Group amounted to less than USD0.1m and consist of losses on foreign exchange transactions and bank charges.

The Njord Group did not have any finance income in 2014. In 2013 the finance income of the Njord Group totals less than USD0.1m and consists of interest income and gains from foreign exchange transactions.

NOTE 6 - FREIGHT AND OTHER RECEIVABLES

	As of 31 December	
	2013	**2014**
(USDm)		
Trade receivables - due from TORM A/S	8.4	10.7
Freight receivables	-	24.5
Freight receivables	**8.4**	**35.2**
Other receivables	0.4	0.7
Other receivables	**0.4**	**0.7**
Total freight and other receivables	**8.8**	**35.9**

The trade receivable due from TORM A/S consists of net income due to the Njord Group derived from shipping activities which are conducted through a pool and to lesser extent a deposit related to the technical management of the Njord Group's vessels to be received from TORM A/S at expiry of the technical management agreements.

In 2014, other receivables consist primarily of receivables under the revenue sharing scheme. In 2013, other receivables consist of a cash float held with TORM A/S while the other receivable held is accrued income from the revenue sharing scheme less amounts received.

The carrying value of trade and other receivables approximate their fair values due to their short term maturities. Trade and other receivables are all due within six months. No trade and other receivable is past-due as at 31 December 2014 or 2013.

NOTE 7- COMMON SHARES

Njord was incorporated on 30 April 2013 with a share capital of EUR 12,500 equivalent to USD16,340. The common shares consist of 12,500 shares with a nominal value of EUR 1 each. All issued shares are fully paid.

For accounting purpose because of the reverse business combination subsequent to the year-end, as disclosed under corporate information, the issued capital and common shares has been adjusted retrospectively to reflect the issued capital and common shares of TORM A/S.

NOTE 8 – RETAINED EARNINGS

Njord was incorporated on 30 April 2013 and from the date of incorporation until 31 December 2014 received contributions in cash from its shareholder which it subsequently used to finance its subsidiaries so the underlying vessels could be purchased.

NOTE 9 - TRADE AND OTHER PAYABLES

Trade and other payables

	As of 31 December	
	2013	**2014**
(USDm)		
Trade payables	-	11.9
Total trade payables	**-**	**11.9**
Other payables	0.2	1.0
Accrued interest payable	-	0.2
Accruals	0.1	0.2
Amounts due to Parent	0.2	-
Total other liabilities	**0.5**	**1.4**
Total trade payables and other liabilities	**0.5**	**13.3**

Trade payables include amounts due to the ships technical managers regarding day to day management. Accruals include accrued professional fees.

NOTE 10 - GUARANTEE COMMITMENTS AND CONTINGENT LIABILITIES

In the year to 31 December 2014, the Njord Group purchased thirteen product tankers. To purchase these vessels the subsidiary company, OCM Holdings MRS Inc., entered into a loan agreement with Danish Ship Finance. The thirteen vessels with a carrying value of USD225.7m are pledged as security for the loan with a value of USD141.9m and OCM Holdings MRS Inc acts as guarantor for the loan. Njord Group is not currently in breach of any current covenants.

In 2013, entities within the Njord Group signed contracts with a Chinese Shipyard (Sungdong) for the construction of 6 MR product tankers. The vessels are due to be delivered between Q3 2015 and Q1 2016. As at December 31, 2014 the remaining commitments were:

Vessel name	**Subsidiary vessel owning company**	**Vessel purchase price** (USDm)	**Funded**	**Remaining commitment**	**Expected delivery**	**Commitment < 1 year**	**Commitment > 1 year but < 2 years**
Valdemar	OCM Singapore Njord Holdings Valdemar. Pte. Ltd.	34.1	6.8	27.3	September 3, 2015	27.3	-
Harald	OCM Singapore Njord Holdings Harald, Pte. Ltd.	34.1	6.8	27.3	October 20, 2015	27.3	-
Gorm	OCM Singapore Njord Holdings Gorm, Pte. Ltd.	34.1	6.8	27.3	November 3, 2015	27.3	-
Knut	OCM Singapore Njord Holdings Knut, Pte. Ltd.	34.1	3.4	30.7	December 7, 2015	30.7	-
Leif	OCM Singapore Njord Holdings Leif, Pte. Ltd.	34.1	3.4	30.7	January 19, 2016	13.6	17.1
Rolf	OCM Singapore Njord Holdings Rolf, Pte. Ltd.	34.1	6.8	27.3	September 17, 2015	27.3	-
Total		**204.6**	**34.1**	**170.6**		**153.5**	**17.1**

OCM Njord Holdings S.à.r.l., the beneficial owner of the Njord Group, entered an agreement at act as guarantor for each shipbuilding contract.

In the year to 31 December 2014, the Njord Group established a chartering company (OCM Njord Chartering Inc). This company entered into normal bunker credit line facilities with various bunker suppliers. OCM Holdings MRS Inc, a Njord Group subsidiary company, acts as guarantor for all credit line facilities.

NOTE 11 - RISKS ASSOCIATED WITH NJORD'S ACTIVITIES

FINANCIAL RISK FACTORS

The risk management function within the Njord Group is carried out in respect of financial risks. Financial risks are risks arising from financial instruments to which the Njord Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function arc to establish risk limits, and then ensure that exposure to risks stays within these limits.

Market risk

1) Foreign exchange risk

The Njord Group has a very limited exposure to foreign exchange risk. The vessels are purchased in United States dollars, revenue and expenses are in all material aspects received or paid in United States dollars as well as financing.

The only risk is in relation to operational expenditure, where items may be purchased wherever the ship is docked/sailing in local currency or where the supplier is not providing services dominated in United States dollars, where the spot rate would apply. The Njord Group does not believe that this would have a material effect on its results.

2) Price risk

The product tanker market is a volatile market and as such the Njord Group is exposed to fluctuations in freight rates. However, the Njord Group has contracted TORM A/S to be the commercial manager, which has significant market experience, hence minimising the risk.

The cost of fuel oil consumed by the vessels, known in the industry as bunkers is by far the biggest single cost related to a voyage. Njord Group is exposed to fluctuations in bunker prices that are not reflected in the freight rates achieved by Njord Group.

3) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Njord Group's exposure to the risk of changes in market interest rates relates primarily to the Njord Group's long-term debt obligations with floating interest rates.

The Njord Group is not covered against variable interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings. With all other variables held constant, the Njord Group's profit before tax and equity are affected through the impact on floating rate borrowings, as follows:

2014	Increase/decrease in basis points	Effect on profit before tax and equity
		(USDm)
Bank loan	+ 25	(0.2)
Bank loan	- 25	0.2

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Njord Group has significant concentrations of credit risk relating to the revenue share scheme, which amounted to USD8m as 31 December 2013 and USD7m as of 31 December 2014.

The Njord Group believes that there are two elements to credit risk. Firstly, there is the risk that the third parties who hire out the vessels do not pay. In this instance, the Njord Group would not receive the cash from the charterer of the vessels. However, arrears have not been a problem thus far and the charterer is responsible for collections. The charterer also includes demurrage in the calculation of the results (additional payments when the vessels take longer to load/unload or there is another reason for the contract period to be extended, e.g. vessel cannot dock, which may affect the next contract).

The second risk is to the charterer. However, they are a large player in the market and the Njord Group's view is that there is no immediate risk to the large receivable. The financial position of the charterer will be carefully monitored throughout the life of the relationship with the Njord Group.

Liquidity risk

Due to the dynamic nature of the underlying activity, there are constant streams of revenue which are used to settle the operational and other expenses as they fall due.

The maturity analysis of assets and liabilities at 31 December 2013 is as follows:

	Not later than 6 months	**Between 6 and 12 months**	**Between 1 and 5 years**	**Total**
(USDm)				
Trade and other receivables	8.8	-	-	8.8
Cash and cash equivalents	1.6	-	-	1.6
Trade and other payables	(0.5)	-	-	(0.5)
Bank loans	-	-	-	-
Accrued interest t	-	-	-	-
Total	**9.9**	**-**	**-**	**9.9**

The maturity analysis of assets and liabilities at 31 December 2014 is as follows:

	Not later than 6 months	**Between 6 and 12 months**	**Between 1 and 5 years**	**Total**
(USDm)				
Trade and other receivables	35.9	-	-	35.9
Cash and cash equivalents	38.1	-	-	38.1
Trade and other payables	(13.3)	-	-	(13.3)
Bank loans 1)	(8.1)	(8.1)	(125.7)	(141.9)
Accrued interest	(2.6)	(2.4)	(12.7)	(17.8)
Total	**50.0**	**(10.5)**	**(138.4)**	**(99.0)**

The presented amounts to be repaid do not include directly related costs arising from the issuing of the loans of USD0.4m (2013: USD0m), which are amortised over the term of the loans.

Other risks

The Njord Group safeguards its contract and collection process as follows:

The Njord Group has appointed TORM A/S a listed specialist Danish shipping company, as the charterer of the vessels. The charterer signs a contract with the party hiring the vessel. This will include the rate of hire, duration, destination and payments for demurrage if and when applicable. Each contract will be specific to the hiring party and length of the contract.

There is a chartering team at TORM A/S who manage these contracts and manage the revenue receipts and associated costs. The Njord Group's vessels operate within a revenue sharing scheme and the chartering responsibility is TORM A/S', to who the Njord Group pays a commission.

Capital risk management

The Njord Group's objectives when managing capital are to safeguard the Njord Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Njord Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

NOTE 12 - FINANCIAL INSTRUMENTS

Interest-bearing loans and borrowings	Interest rate %	Maturity	As of 31 December 2014 (USDm)
Non-current interest-bearing loans and borrowings			
Secured bank loan	LIBOR + 3.25	June 15, 2019	125.3
Total non- current interest- bearing loans and borrowings			**125.3**
Total current interest-bearing loans and borrowings			**16.2**
Total interest- bearing loans and borrowings			**141.5**

The fair value equals the book value.

The secured bank loan has been subscribed with DSF (Danish Ship Finance A/S) with a commitment of up to USD150.0m as described in the Secured Loan Agreement.

NOTE 13 - RELATED PARTY TRANSACTIONS

During the financial year, the Njord Group did not carry out any other transactions with related parties than those already mentioned in this financial statements. Fees to the managers of the Njord Group amounts to less than USD0.1m.

Balances and transactions between Njord and its subsidiaries, which are related parties of Njord, have been eliminated on consolidation and are not disclosed in this note.

NOTE 14 - CASH FLOWS

Changes in bunkers, receivables and payables

	For the year ended 31 December	
	2013	**2014**
(USDm)		
(Increase) in inventories	(4.5)	(8.8)
(Increase)/decrease in prepayments	(3.2)	1.5
(Increase) in trade and other receivables	(8.7)	(27.1)
Increase in trade and other payables	0.5	14.2
Total changes in inventories, receivables and payables	**(15.9)**	**(20.2)**

NOTE 15 - ENTITIES IN THE NJORD GROUP

The detailed list of the consolidated entities is as follows:

Name of the company	Country	% Control	% Interest	Consolidation method
OCM Njord Holdings S.à r.l.	Luxembourg	Parent	Parent	Full

Name of the company	Country	% Control	% Interest	Consolidation method
OCM Njord Chartering Inc.	Marshall Islands	100%	100%	Full
OCM (Gibraltar) Njord Midco Ltd	Gibraltar	100%	100%	Full
OCM Singapore Njord Holdings Alice, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Agnes, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Aslaug, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Almena, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Amalie, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Hardrada, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings St. Michaelis, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings St. Gabriel, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Gorm, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Harald, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Knut, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Valdemar, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Leif, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Rolf, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Agnete, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Alexandra, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Anabel, Pte. Ltd	Singapore	100%	100%	Full
OCM Singapore Njord Holdings Arawa, Pte. Ltd	Singapore	100%	100%	Full
OCM Holdings Mrs Inc.	Marshall Islands	100%	100%	Full
OCM Njord Anne Inc.	Marshall Islands	100%	100%	Full
OCM Njord Freya Inc.	Marshall Islands	100%	100%	Full
OCM Njord Gerd Inc.	Marshall Islands	100%	100%	Full
OCM Njord Gertrud Inc.	Marshall Islands	100%	100%	Full
OCM Njord Gunhild Inc.	Marshall Islands	100%	100%	Full
OCM Njord Helene Inc.	Marshall Islands	100%	100%	Full
OCM Njord Helvig Inc.	Marshall Islands	100%	100%	Full
OCM Njord Ingeborg Inc.	Marshall Islands	100%	100%	Full
OCM Njord Mary Inc.	Marshall Islands	100%	100%	Full
OCM Njord Ragnhild Inc.	Marshall Islands	100%	100%	Full
OCM Njord Thyra Inc.	Marshall Islands	100%	100%	Full
OCM Njord Valborg Inc.	Marshall Islands	100%	100%	Full
OCM Njord Vita Inc.	Marshall Islands	100%	100%	Full

NOTE 16 – EARNINGS PER SHARE

	For the year ended 31 December	
	2013	**2014**
Net profit for the period (USDm)	1.7	12.6
Weighted average number of shares outstanding (million)	8.9	32.5
Weighted average number of shares outstanding including dilution effect (million)	8.9	32.5
Earnings per share (USD)	0.2	0.4
Diluted earnings per share (USD)	0.2	0.4

Weighted average number of shares have been adjusted for the reverse acquisition as disclosed in note 2 and note 7.