



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 913 064 429
Organisasjonsform: Aksjeselskap
Foretaksnavn: AURORA SHIPPING II AS
Forretningsadresse: Professor Kohts vei 5
1366 LYSAKER

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Bård Haugan
Dato for fastsettelse av årsregnskapet: 30.06.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 17.10.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Pool revenue, related party	7	12 043 240	5 363 276
Voyage revenue	7	7 819	1 987
Sum inntekter		12 051 059	5 365 264
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		137 260	119 934
Ship operating expenses		1 085 166	1 027 108
Other operating expenses	9	1 368 374	1 377 455
Depreciation	5	2 620 887	2 492 116
Sum kostnader		5 211 687	5 016 613
Driftsresultat		6 839 372	348 650
Finansinntekter og finanskostnader			
Annen renteinntekt		26 659	9 662
Sum finansinntekter		26 659	9 662
Financial expenses		121	101 765
Sum finanskostnader		121	101 765
Netto finans		26 538	-92 103
Ordinært resultat før skattekostnad		6 865 910	256 548
Tax expense	3	170 466	759 153
Ordinært resultat etter skattekostnad		6 695 444	-502 605
Årsresultat		6 695 444	-502 605
Årsresultat etter minoritetsinteresser		6 695 444	-502 605
Totalresultat		6 695 444	-502 605
Overføringer og disponeringer			



Resultatregnskap

Beløp i: NOK	Note	2019	2018
Transferred to accumulated loss		6 695 444	
Sum overføringer og disponeringer		6 695 444	



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	5	46 626 761	49 247 648
Sum varige driftsmidler		46 626 761	49 247 648
Sum anleggsmidler		46 626 761	49 247 648
Omløpsmidler			
Varer			
Fordringer			
Other current assets		333 427	481 555
Konsernfordringer	7, 8	19 684 881	90 543 875
Sum fordringer		20 018 308	91 025 430
Sum omløpsmidler		20 018 308	91 025 430
SUM EIENDELER	6	66 645 069	140 273 078
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	4	332 511	332 511
Overkurs	4	24 418 077	24 418 077
Annen innskutt egenkapital	4	91 381 784	91 381 784
Sum innskutt egenkapital		116 132 372	116 132 372
Opptjent egenkapital			
Accumulated loss	4	-51 675 195	21 822 006
Sum opptjent egenkapital		-51 675 195	21 822 006



Balanse

Beløp i: NOK	Note	2019	2018
Sum egenkapital		64 457 177	137 954 378
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		210 613	177 264
Tax payable	3	170 466	759 153
Kortsiktig konserngjeld		1 806 813	1 382 283
Sum kortsiktig gjeld		2 187 892	2 318 700
Sum gjeld		2 187 892	2 318 700
SUM EGENKAPITAL OG GJELD		66 645 069	140 273 078



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
24.03.2015

Vår dato
08.04.2015

Telefon
977 59 464

Deres referanse
Bjørn Lund

Vår referanse
2015/297866

PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Aurora LPG Holding ASA med datterselskaper

Vi viser til deres brev av 24. mars 2015 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for

Aurora LPG Holding ASA,	org.nr. 913 064 801
Aurora Shipping Holding AS,	org.nr. 913 064 291
Aurora Shipping I AS,	org.nr. 913 064 372
Aurora Shipping II AS,	org.nr. 913 064 429
Aurora Shipping III AS,	org.nr. 913 064 461
Aurora Shipping IV AS,	org.nr. 913 064 569
Aurora Shipping V AS,	org.nr. 913 064 704
Aurora Shipping VI AS,	org.nr. 913 064 739
Aurora Shipping VII AS,	org.nr. 913 064 763
Aurora Shipping VIII AS,	org.nr. 913 112 091
Aurora Shipping IX AS,	org.nr. 913 112 040
Aurora Shipping X AS,	org.nr. 913 112 121
Aurora Shipping XII AS,	org.nr. 914 900 220
Aurora Shipping XIII AS,	org.nr. 914 900 344
Aurora Shipping XIV AS,	org.nr. 914 900 182

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Aurora LPG Holding ASA og dets datterselskaper er ett internasjonalt shipping selskap som hovedsakelig yter tjenester vedrørende befraktning av gass (LPG) i internasjonale farvann og har pr. i dag 3 skip («Very Large Gas Carrier»/«VLGC») i drift. I tillegg har selskapet 6 VLGCer under bestilling. Aurora LPG Holding ASA er notert på Oslo Børs, og andelen internasjonale investorer er betydelig. Selskapet har fått dispensasjon fra Oslo Børs for å bruke engelsk som primær språk i forbindelse med pressemeldinger og øvrig kommunikasjon med Oslo Børs og investorene. Konsernets arbeidsspråk er engelsk. Engelsk språk benyttes i all hovedsak både ved intern og

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Sentralbord
800 80 000
Telefaks
22 17 08 60



ekstern kommunikasjon. De norske versjonene av regnskapet utarbeides kun for å tilfredsstille regnskapslovens krav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal ”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at konsernet driver virksomhet av internasjonal karakter innenfor skipsfart. Det er videre lagt vekt på at konsernets arbeidsspråk er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Aurora Shipping II AS Annual report 2019

Operations

Aurora's headquarters are located in Lysaker. Aurora Shipping II AS is a pure ship owning company with no employees. The LPG spot market has been weak in 2019.

General

It is of the Board of Directors opinion that the accounts provide a fair picture of the results for the year 2019 and the company's position at the end of 2019. The financial statements for Aurora Shipping II AS has been prepared based on Norwegian GAAP for small entities. The Company's vessel, BW Tyr, joined and traded a pool operated by BW Green Carriers AS in 2019.

Financial results

The annual accounts for 2019 show a total revenue of USD 12.1M with a net profit of 6.7M, compared to total revenue of USD 5.4M and net loss of USD 0.5M in 2018. All the assets in the Company are related to related parties. Total assets year end 2019 is equivalent of USD 66.6M compared to USD 140.3M as of year-end 2018. Total shareholders' equity amounted to USD 64.5M in 2019, compared to USD 138.0M in 2018.

Market outlook

The spot rates are expected to decrease in 2020, compared to the rates in 2019, due to worse market conditions.

Financial risks

USD is the functional currency for the Company. Some expenses are incurred in other currencies such as EUR and NOK. Thus, the exchange risk is limited, and the Company has currently not entered into any hedging instruments. The company is not exposed to changes in the interest rate, as the company has no mortgage debt. The risk of losses on receivables is considered to be low, as the company's receivables are mostly inter-company balances. The liquidity risk is considered low.

Working environment and employees

The company has no employees. The Board of Directors consists of two men and two women. The company's ambition is to exercise full gender equality.

Environment

The Company recognises its impact on the environment through the related activities of its operation. The Company is continuously reviewing its policies and connected operations to minimise negative externalities.

Allocation of profit

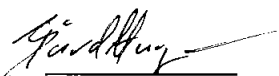
The Board proposes that the profit of USD 6.7M is transferred to the accumulated loss.

Subsequent events

The COVID-19 pandemic started in early 2020, and has not resulted in any financial impact for the company. The situation will be monitored and assessed closely.


Anders Onarheim

Lysaker, 30.06.20


Bård Haugan



AURORA SHIPPING II AS

INCOME STATEMENT

Amounts in USD

PROFIT AND LOSS	Note	2019	2018
Pool revenue, related party	7	12 043 240	5 363 276
Voyage revenue	7	7 819	1 987
Total revenue		12 051 059	5 365 264
Ship operating expenses		-1 085 166	-1 027 108
Ship management fee		-137 260	-119 934
Other operating expenses	9	-1 368 374	-1 377 455
Depreciation	5	-2 620 887	-2 492 116
Total operating expenses		-5 211 687	-5 016 613
Operating profit		6 839 372	348 650
FINANCIAL INCOME AND EXPENSES			
Financial income		26 659	9 662
Financial expenses		-121	-101 765
Net financial items		26 538	-92 103
Profit (loss) before income tax expense		6 865 910	256 548
Tax expense	3	-170 466	-759 153
Net (loss)/income		6 695 444	-502 605
Transferred to accumulated loss		6 695 444	0



BALANCE SHEET

AURORA SHIPPING II AS

ASSETS	Note	2019	2018
TANGIBLE FIXED ASSETS			
Vessel	5	46 626 761	49 247 648
Total tangible fixed assets		46 626 761	49 247 648
Total fixed assets		46 626 761	49 247 648
CURRENT ASSETS			
RECEIVABLES			
Pool receivables	7	16 028 092	16 055 654
Other current assets		333 427	481 555
Inter-company receivables	8	3 656 789	74 488 221
Total receivables		20 018 308	91 025 430
Total current assets		20 018 308	91 025 430
TOTAL ASSETS	6	66 645 069	140 273 078

AURORA SHIPPING II AS

SIDE 2

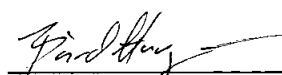


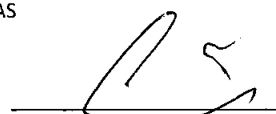
BALANCE SHEET

AURORA SHIPPING II AS

EQUITY AND LIABILITIES	Note	2019	2018
EQUITY			
PAID IN EQUITY			
Share capital	4	332 511	332 511
Share premium	4	24 418 077	24 418 077
Other paid-in equity	4	91 381 784	91 381 784
Total paid in equity		116 132 372	116 132 372
ACCUMULATED LOSS			
Accumulated loss	4	-51 675 195	21 822 006
Total retained earnings		-51 675 195	21 822 006
Total equity		64 457 177	137 954 378
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable		210 613	177 264
Tax payable	3	170 466	759 153
Inter-Company payable		1 806 813	1 382 283
Total current liabilities		2 187 892	2 318 700
Total liabilities		2 187 892	2 318 700
Total equity and liabilities		66 645 069	140 273 078

Lysaker, 30.06.2020
Styret i Aurora Shipping II AS


Bård Haugan
styremedlem


Anders Onarheim
styreleder



Note 1 Accounting policies

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP) for small entities. All amounts are in USD 1 000 unless otherwise stated.

The financial statements is prepared on the basis of going concern assumption.

Currency

The base currency of the Company is used for taxation purposes is Norwegian Kroner (NOK). The company's presentational and functional currency is U.S. dollars.

Transactions in foreign currencies are translated into U.S. dollars at the rates of exchange in effect at the date of the transaction. Foreign currency monetary assets and liabilities are translated using rates of exchange at the balance sheet date. Foreign currency non-monetary assets and liabilities are translated using historical rates of exchange.

Cash and cash equivalents

Cash represents cash on hand and deposits with bank that is callable on demand. Cash equivalents represents short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less and that are subject to an insignificant change in value.

Accounts receivable and accounts payable

Accounts receivable and accounts payable are initially valued at their fair value and subsequently at amortised cost. Accounts receivable are subject to value adjustments where their recovery is uncertain. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Revenue and expense recognition

Voyage revenues (spot voyages) are recognised rateably over the estimated length of each voyage and, therefore, are allocated between reporting periods based on the relative number of days in each period. Voyage expenses are recognized rateably over the same period as used for recognition of the voyage revenue. The Company uses a discharge-to-discharge basis in determining percentage of completion for all spot voyages. However, the Company does not recognize any revenue if a charter has not been contractually committed to by a customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage. Ship operating expenses are recognized as incurred.

Pool revenues are accounted for using the same policies as described above. However, pool revenues are presented net of voyage expenses, and other expenses incurred by BW Green Carriers AS ("the Pool Company").

Vessel and equipment

The cost of the vessel less estimated residual value is depreciated on a straight-line basis over the vessel estimated remaining economic useful lives. The estimated economic useful life of the Company's vessel is 30 years which is based on the time from when the vessel was newly constructed. The residual value for the vessel is calculated by multiplying the lightweight tonnage of the vessel by the market price of scrap per ton. The market price of scrap per ton is calculated based on recent prices available across the three main recycling markets (Far East, Indian sub-continent and Bangladesh). Residual values are reviewed annually. Each acquired vessel is reviewed before useful lifetime, depreciation and scrap value is assessed.

Periodic classification and maintenance costs are capitalised as part of the vessel in the balance sheet and is depreciated on a straight-line basis until the next planned docking. If the dry-docking results in an extension of the life of a ship, then the estimated useful life of the ship is adjusted accordingly.

Impairment

The vessel is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the asset is written down to its recoverable amount. The recoverable amount of an asset is the higher of the asset's net selling price and its value in use. Prior impairment is reviewed for possible reversal at each reporting date.

Group affiliation

The company is owned by Aurora LPG Holding AS. BW Holding LPG Limited owns 100% of the shares in Aurora LPG Holding AS. BW LPG Holding Limited is a wholly-owned subsidiary of BW LPG Limited. The consolidated financial statements for BW LPG Limited can be found at www.bwlpg.com.



Note 2 Shareholders

As of December 31, 2019 there was only one shareholder, Aurora LPG Holding AS which owned 100% of the share capital in the company.

Note 3 Taxes

(in thousands USD)

	2019	2018
Basis for income tax, change in deferred tax and tax payable		
Profit before tax	6,695	257
Differences due to currency	(5,968)	2,997
Basis for tax charges in the year	727	3,254
Basis for tax payable in the income statement	727	3,254
Taxable profits (basis for payable tax in the balance sheet)	727	3,254
Tax expense		
Tax payable	160	749
Total tax expense/income	160	749
Tonnage tax	11	11

Note 4 Share capital

(In thousands USD)

	Share capital	Share premium	Accumulated loss	Other paid-in equity	Total
Shareholders equity 01.01.	333	24,418	21,823	91,382	137,956
Dividend	0	0	-80,193	0	-80,193
Net income	0	0	6,695	0	6,695
Shareholders equity 31.12.	333	24,418	-51,675	91,382	64,457

As of December 31, 2019 the Company had a share capital of USD 333. Outstanding and issued shares were 300 as of December 31, 2019.

Note 5 Vessels

(in thousands USD)

	2019	2018
Opening net book amount 01.01.18	49,248	49,384
Additions	0	2,356
Depreciation	-2,621	-2,492
Total as of 31.12.18.	46,627	49,248



Note 6 Cash and cash equivalents

There were no restricted cash as of December 31, 2018 and 2019

Note 7 Pool revenues and pool receivables (related parties)

Pool revenues and receivables

The company entered into a pool arrangement operated by BW Green Carriers AS (BW Green Carriers) in 2017, after leaving the pool arrangement with Atlantic Tankers AS. The vessel is on Time Charter with BW Green Carriers based with a variable charter rate. The variable rate of the time charter contract is determined based on the net pool result derived from earnings from voyage charter revenues less voyage expenses and other expenses. The pool revenue is recognised in the financial statements on a net basis showing the time charter revenue derived from the pool.

Pool revenues amounted to USD 12.0M for 2019 (2018: USD 5.4M) and pool receivable was USD 16.0M as of December 31, 2019, (December 31, 2018: USD 16.1M).

Related parties

BW Green Carriers AS is owned by BW LPG Pte. Ltd, and all the vessels in this pool is fully or partly owned by the BW LPG group.

Uncertainty related to pool revenues and receivables

Atlantic Tankers AS is owned by the former CFO and CFO of Aurora LPG Holding AS. Atlantic Tankers has entered into a Commercial Management Agreement with Ponos Shipping AS (Ponos Shipping). Ponos Shipping owns Atlantic Tankers Management. Ponos Shipping has entered into a sub contract agreement with Atlantic Tankers Management. The former CFO of Aurora LPG Holding AS owns Ponos Shipping as of December 31, 2019.

There is currently material uncertainty related to the final settlement of pool revenues and pool receivable toward Atlantic Tankers as well as costs associated with the termination of the pool arrangement. The uncertainty is also based on issues where the Company's view is that the Pool Agreement dated January 18, 2016 is legally invalid and the Company is also questioning how certain provisions for the pool arrangements have been applied by the Atlantic Tankers AS.

Aurora Shipping II AS has as of year-end 2019 a pool receivable of USD 15.973 thousand towards Atlantic Tankers AS, and no pool revenues.

Note 8 Intercompany

2019	Payable	Receivables
Aurora LPG Holding AS	0	0

2018	Payable	Receivables
Aurora Shipping Holding AS	0	71,729

Note 9 Other operating expenses

The audit fee for 2019 amounted to USD 0.2K.

Note 10 Subsequent events

The COVID-19 pandemic started in early 2020, and has not resulted in any financial impact for the company. The situation will be monitored and assessed closely.



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To the General Meeting of Aurora Shipping II AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aurora Shipping II AS showing a profit of USD 6 695 444. The financial statements comprise the balance sheet as at 31 December 2019, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Qualified Opinion

The Company had entered into a pool arrangement with other vessel owners and Atlantic Tankers AS as pool manager where the vessel was on a time charter contract with Atlantic Tanker AS based on a variable charter rate. There is currently a material uncertainty related to the final settlement of pool receivable of USD 15 973 thousand toward Atlantic Tanker AS as well as costs associated with the termination of the pool arrangement. The uncertainty is also based on the Company's view that the Pool Agreement dated January 18, 2016 is legally invalid, refer to note 7 to the Financial Statements.

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, 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 qualified opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal

Offices in:

KPMG AS is a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
Statsautoriserte revisorer medlemmer av Den Norske Revisorforening

Oslo	Evje	Molde	Ström
Ålesund	Finnøy	Molde	Ström
Ålesund	Hamar	Skien	Trondheim
Bergen	Haugesund	Sandnessjøen	Trondheim
Bodo	Kjeller	Sandnessjøen	Trondheim
Drammen	Kristiansund	Stavanger	Ålesund



Aurora Shipping II AS

control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment 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. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.



Aurora Shipping II AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (*ISAE*) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 6 July 2020
KPMG AS

Stian Tørrestad
State Authorised Public Accountant