CONSOLIDATED FINANCIAL STATEMENTS
INDEPENDENT TANKERS CORPORATION LIMITED
YEAR ENDED DECEMBER 31, 2019

Index to the Consolidated Financial Statements of Independent Tankers Corporation Limited

Report of Independent Auditors

To the Board of Directors and Shareholders of Independent Tankers Corporation Limited

We have audited the accompanying consolidated financial statements of Independent Tankers Corporation Limited and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, of cash flows and of changes in equity for each of the three years in the period ended December 31, 2019.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Independent Tankers Corporation Limited and its subsidiaries as of December 31, 2019 and 2018, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers AS
Oslo, Norway
October 31, 2020

Independent Tankers Corporation Limited
Consolidated Statements of Operations for the years ended December 31, 2019, 2018 and 2017
(in thousands of $, except per share data)

	2019	2018	2017
Operating expenses			
Administrative expenses	**91**	77	111
Total operating expenses	**91**	77	111
Net operating loss	**(91)**	(77)	(111)
Other income (expenses)			
Foreign exchange gains	**1**	—	—
Interest income	**2**	2	1
Loan interest expense	**(80)**	(85)	(66)
Net other expenses	**(77)**	(83)	(65)
Net loss	**(168)**	**(160)**	**(176)**
Basic and diluted loss per share	**$0.00**	$0.00	$0.00

See accompanying notes that are an integral part of these consolidated financial statements.

Independent Tankers Corporation Limited
Consolidated Balance Sheets as of December 31, 2019 and 2018
(in thousands of $)

	2019	2018
Assets		
Cash and cash equivalents	**66**	143
Total assets	**66**	143
Liabilities		
Due to related parties	**2,930**	2,813
Accrued expenses	**43**	69
Total liabilities	**2,973**	2,882
Deficit		
Share capital (2019 and 2018: 74,825,166 shares of $0.01 each)	**748**	748
Contributed surplus	**21,840**	21,840
Retained deficit	**(25,495)**	(25,327)
Total deficit	**(2,907)**	(2,739)
Total liabilities and deficit	**66**	143

See accompanying notes that are an integral part of these consolidated financial statements.

Independent Tankers Corporation Limited
Consolidated Statements of Cash Flows for the years ended December 31, 2019, 2018 and 2017
(in thousands of $)

	2019	2018	2017
Net loss	**(168)**	(160)	(176)
Changes in operating assets and liabilities:			
Related party payables	**117**	110	84
Accrued expenses	**(26)**	21	36
Net cash used in operating activities	**(77)**	(29)	(56)
Net cash provided by investing activities	**—**	—	—
Net cash used in financing activities	**—**	—	—
Net change in cash and cash equivalents	**(77)**	(29)	(56)
Cash and cash equivalents at beginning of year	**143**	172	228
Cash and cash equivalents at end of year	**66**	143	172

See accompanying notes that are an integral part of these consolidated financial statements.

Independent Tankers Corporation Limited
Consolidated Statements of Changes in Equity for the years ended December 31, 2019, 2018 and 2017
(in thousands of $, except number of shares)

	2019	2018	2017
Number of shares outstanding			
Balance at the beginning and the end of the year	**74,825,166**	74,825,166	74,825,166
Share capital			
Balance at beginning and end of year	**748**	748	748
Contributed surplus			
Balance at the beginning and the end of the year	**21,840**	21,840	21,840
Retained deficit			
Balance at the beginning of the year	**(25,327)**	(25,167)	(24,991)
Net loss	**(168)**	(160)	(176)
Balance at the end of the year	**(25,495)**	(25,327)	(25,167)
Total deficit	**(2,907)**	(2,739)	(2,579)

See accompanying notes that are an integral part of these consolidated financial statements.

Independent Tankers Corporation Limited
Notes to the Financial Statements

1. GENERAL

Independent Tankers Corporation Limited ("ITCL" or the "Company") was engaged primarily in the ownership and operation of oil tankers. The Company, through its wholly owned subsidiaries, had previously operated nine tankers of two sizes: six very large crude carriers ("VLCCs") which were between 200,000 and 320,000 deadweight tons ("dwt"), and three Suezmax tankers, which were vessels between 130,000 and 150,000 dwt.

Following the sale of the final vessel owned by the Company in October 2014, none of the Company's subsidiaries own or operate a vessel and the Company no longer has any active business operations.

2. ACCOUNTING POLICIES

Basis of accounting
The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The consolidated financial statements include the assets and liabilities of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated on consolidation.

The preparation of financial statements in accordance with generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

We evaluated all of our activity through October 31, 2020, and concluded that no subsequent events have occurred that would require recognition in the financial statements.

Cash and cash equivalents
For the purposes of the consolidated statements of cash flows, all demand and time deposits and highly liquid, low risk investments with original maturities of three months or less are considered equivalent to cash.

Financial instruments
In determining fair value of its financial instruments, a variety of methods and assumptions are used that are based on market conditions and risks existing at each balance sheet date. For the majority of financial instruments including long-term debt, standard market conventions and techniques are used to determine fair value. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized.

Interest payable on the Term Mortgage Notes is accrued on a daily basis.

Foreign exchange
All of the entities within the group have the U.S. dollar as their functional currency. Assets and liabilities are translated into the functional currency at exchange rates existing at the date of the balance sheet. Such currency translation gains and losses are included in the Consolidated Statement of Operations. Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rate at the transaction date.

Earnings per share
Basic earnings per share ("EPS") is computed based on the income available to common stockholders and the weighted average number of shares outstanding. Diluted EPS includes the effect of the assumed conversion of potentially dilutive instruments.

Other comprehensive income
The Company has no other comprehensive income.

3. RECENT ACCOUNTING PRONOUCEMENTS

The Company does not expect that any recently issued accounting pronouncements will have a significant impact on its consolidated financial statements.

4. INCOME TAX

Bermuda
Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received written assurance from the Minister of Finance in Bermuda that, in the event of any such taxes being imposed, the Company will be exempted from taxation until March 31, 2035.

Cayman Islands
The Company and its subsidiaries are not required to pay taxes on either income, gains or appreciations as no direct taxes are levied on corporations in the Cayman Islands.

Other jurisdictions
Certain of the Company's consolidated affiliates are incorporated in the Bahamas and Isle of Man. Under these jurisdictions the Company and its subsidiaries are not liable to pay taxes.

United States
The Company does not accrue U.S. income taxes as the Company is not engaged in a U.S. trade or business and is exempted from a gross basis tax under Section 883 of the U.S. Internal Revenue Code.

The Company does not have any unrecognized tax benefits, material accrued interest or penalties relating to income taxes.

5. SEGMENT INFORMATION

The Company and the chief operating decision maker ("CODM") measure performance based on the Company's overall return to shareholders based on consolidated net income. The CODM does not review a measure of operating result at a lower level than the consolidated group. Consequently, the Company has only one reportable segment: crude oil tankers.

The Company's management does not evaluate performance by geographical region as this information is not meaningful.

The Company did not have any operating revenues in 2019, 2018 or 2017.

6. EARNINGS PER SHARE

The computation of basic EPS is based on the net loss of $0.2 million for the year ended December 31, 2019, and the net loss of $0.2 million and $0.2 million for the years ended December 31, 2018 and 2017, respectively.

The computation of basic EPS is based on the weighted average number of shares outstanding during the year of 74,825,166 for each of the years ended December 31, 2019, 2018 and 2017. There were no potentially dilutive instruments outstanding in the years ended December 31, 2019, 2018 and 2017.

7. FINANCIAL INSTRUMENTS

Fair Values
The carrying value and estimated fair value of the Company's financial instruments are as follows:

(in thousands of $)	**2019 Fair Value**	**2019 Carrying Value**	2018 Fair Value	2018 Carrying Value
Financial assets:				
Cash and cash equivalents	**66**	**66**	143	143
Financial liabilities:				
Floating rate debt	**1,787**	**1,787**	1,712	1,712

The estimated fair values of financial assets and liabilities areas follows:

(in thousands of $)	**2019 Fair Value**	Level 1	Level 2	Level 3
Financial assets:				
Cash and cash equivalents	**66**	66	—	—
Financial liabilities:				
Floating rate debt	**1,787**	—	1,787	—

(in thousands of $)	**2018 Fair Value**	Level 1	Level 2	Level 3
Financial assets:				
Cash and cash equivalents	**143**	143	—	—
Financial liabilities:				
Floating rate debt	**1,712**	—	1,712	—

The following methods and assumptions were used to estimate the fair value of each class of financial instrument;

Cash and cash equivalents - the carrying values in the balance sheet approximate their fair value.

Floating rate debt - the fair value of floating rate debt has been determined using level 2 inputs and is considered to be equal to the carrying value since it bears variable interest rates, which are reset on a quarterly basis.

Concentrations of risk

There is a concentration of credit risk with to cash to the extent that substantially all of the amounts are carried with Nordea Bank Norge ASA.

8. SHARE CAPITAL

Authorized share capital:

(in thousands of $, except for share data)	**2019**	2018
20,000,000,000 ordinary shares of $0.01 each	**200,000**	200,000

Issued share capital:

(in thousands of $, except for share data)	**2019**	2018
74,825,166 ordinary shares of $0.01 each	**748**	748

9. RELATED PARTY TRANSACTIONS

We transact business with Frontline, our ultimate majority shareholder.

All balances due to related parties as at December 31, 2019 and 2018 related to Frontline Ltd.

The Company has recorded expenses with related parties as follows:

(in thousands of $)	**2019**	2018	2017
Loan interest expense - Frontline	**80**	85	66

In December 2011, Frontline provided a loan of $30.6 million at an interest rate of 2.5% above LIBOR. The remaining balance on the loan and accrued interest as at December 31, 2019 was $1.8 million (December 31, 2018: $1.7 million). As of December 31, 2019 the full balance is repayable on September 30, 2020. In addition to the loan, included within the $2.9 million balance owed to Frontline at December 31, 2019 are recharged administrative expenses. Furthermore, Frontline has undertaken as majority shareholder to continue to provide financial and other support as necessary to the Company for a period of at least 12 months from the signing of the auditors report to enable the company to meet their liabilities as they fall due.

10. SUBSEQUENT EVENTS

In 2020, Frontline extended the maturity of its loan to the Company to October 31, 2021.