



## Evergas Management A/S

Kalvebod Brygge 39-41

DK 1560 Copenhagen

CVR No. 28 28 90 81

### Annual report

for the year ended 31 December 2018

Approved at the annual general meeting of shareholder  
on 6 June 2019

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Pia Lindberg

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## **Company details**

Evergas Management A/S  
Kalvebod Brygge 39-41  
DK – 1560 Copenhagen  
CVR No. 28 28 90 81

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

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

### ***Executive Board***

Steffen Ulrik Jacobsen (CEO)

### ***Auditors***

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
DK – 2300 Copenhagen S

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

Today, Executive Board and Board of Directors have discussed and approved the annual report of Evergas Management A/S for the financial year 1 January – 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

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

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

Copenhagen 6 June 2019

Executive Board:

.....  
Steffen Ulrik Jacobsen

Board of Directors:

.....  
Jacques Marie Joseph Narcisse  
d'Armand de Chateauvieux  
(Chairman)

.....  
Christian Franck Lefevre

.....  
Steffen Ulrik Jacobsen

## **Independent auditor's report**

### **To the shareholder of Evergas Management A/S**

#### **Opinion**

We have audited the financial statements of Evergas Management A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

**Statement on the Management commentary**

Management is responsible for the Management commentary.

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

Moreover, it is our responsibility to consider whether the Management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 6 June 2019

**Deloitte**

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

Kim Takata Mücke

State-Authorised

Public Accountant

MNE no 10944

Martin Pieper

State-Authorised

Public Accountant

MNE no 44063

## **Management's commentary**

### **Business activities and mission**

The Company's main activity is management of gas tankers.

### **Business review**

The Company's result for 2018 is a profit of USD 157,534 against a profit of USD 116,065 in 2017 and the Company's balance sheet at 31 December 2018 shows an equity of USD 1,075,614 against an equity of USD 918,080 in 2017.

### **Going concern assessment**

For a description of the going concern assessment at 31 December 2018, refer to note 1.

### **Subsequent events**

There were no events subsequent to the balance sheet date, which would require adjustments to or disclosures in the Company's financial statements.



## **Accounting policies**

The annual report of Evergas Management A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B entities with addition of certain provisions for reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

### **Reporting currency**

The financial statements are presented in USD, based on bookkeeping records maintained in USD. The financial statements are presented in USD to match the functional currency of the Company, which is also USD. The exchange rate between USD/DKK per 31 December 2018 was 6.52 against 6.21 per 31 December 2017.

### **Foreign currency retranslation**

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

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

## **Income statement**

### **Revenue**

Revenue from the sales of services is recognised concurrently with the delivery of the services.

### **Employee expenses**

Employee expenses include wages and salaries, social security costs, pensions etc.

### **Other external expenses**

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

## Accounting policies - continued

### Depreciation and impairment of fixed assets

Depreciation includes depreciation and impairment of property, plant and equipment. Fixed assets are depreciated on a straight-line basis to the residual value, measured by reference to the assessment of the useful lives. Residual value for the office equipment is estimated to nil.

#### Useful life

Other fixtures and fittings, tools and equipment	3 - 5 years
Art	No depreciation

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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

### Net Financials

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

### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the year that relates to changes in equity.

The Company is jointly taxed with the Danish Parent company. The current income tax is allocated among the jointly taxed entities in proportion to their taxable income (full allocation method).

## **Accounting policies – continued**

### **Balance sheet**

#### **Property, plant and equipment**

Property, plant and equipment comprise of office equipment, which is measured at cost to the residual value less accumulated depreciation and write-downs.

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

#### **Receivables**

Trade receivables, etc., are measured at the lower of amortized cost and net realizable value, based on an assessment of the individual receivable.

#### **Prepayment**

Prepayments recognized under 'assets' comprise prepaid expenses regarding subsequent reporting years.

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

Cash and cash equivalents comprise cash and bank balances.

#### **Equity**

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

#### **Income taxes**

Current tax charges are recognized in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax paid in advance.

Provisions for deferred tax are calculated at 22% of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax assets are recognized at the value at which they are expected to be utilized either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

#### **Other liabilities**

Other liabilities are measured to amortized cost.

**Income statement**  
**1 January - 31 December**

	Notes	2018 USD	2017 USD
Revenue		5,830,316	5,468,034
Other external expenses		<u>(1,931,281)</u>	<u>(1,854,825)</u>
<b>Gross profit</b>		<b>3,899,035</b>	<b>3,613,209</b>
Employee expenses	2	(3,634,477)	(3,383,522)
Depreciation and impairment of fixed assets		<u>0</u>	<u>(808)</u>
<b>Profit before net financials</b>		<b>264,558</b>	<b>228,879</b>
Other financial income		22,117	0
Other financial expenses		<u>(17,523)</u>	<u>(70,976)</u>
<b>Profit before tax</b>		<b>269,152</b>	<b>157,903</b>
Tax for the year	3	<u>(111,618)</u>	<u>(41,838)</u>
<b>Net profit for the year</b>		<b><u>157,534</u></b>	<b><u>116,065</u></b>
 <b>Proposed distribution of profit/loss</b>			
Retained earnings prior years		828,596	712,531
Profit for the year		<u>157,534</u>	<u>116,065</u>
<b>Total appropriation</b>		<b><u>986,130</u></b>	<b><u>828,596</u></b>

**Balance sheet  
at 31 December**

	Notes	2018 USD	2017 USD
<b>Assets</b>			
<b>Fixed assets</b>			
Other fixtures and fittings, tools and equipment	4	<u>62,600</u>	<u>62,600</u>
<b>Property, plant and equipment</b>		<u><b>62,600</b></u>	<u><b>62,600</b></u>
<b>Total fixed assets</b>		<u><b>62,600</b></u>	<u><b>62,600</b></u>
<b>Current assets</b>			
Receivables from group enterprises		2,526,169	2,425,309
Other receivables		1,307,109	1,410,254
Prepayments		<u>26,958</u>	<u>11,730</u>
<b>Receivables</b>		<u><b>3,860,236</b></u>	<u><b>3,847,293</b></u>
<b>Cash and cash equivalents</b>		<u><b>36,122</b></u>	<u><b>777,286</b></u>
<b>Total current assets</b>		<u><b>3,896,358</b></u>	<u><b>4,624,579</b></u>
<b>Total assets</b>		<u><u><b>3,958,958</b></u></u>	<u><u><b>4,687,179</b></u></u>

**Balance sheet  
at 31 December**

	Notes	2018 USD	2017 USD
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		89,484	89,484
Retained earnings		<u>986,130</u>	<u>828,596</u>
<b>Total equity</b>		<b><u>1,075,614</u></b>	<b><u>918,080</u></b>
<b>Liabilities</b>			
Trade payables		49,378	51,676
Payables to group enterprises		1,407,913	2,658,551
Corporate tax		70,064	0
Other payables		<u>1,355,989</u>	<u>1,058,872</u>
<b>Short-term liabilities</b>		<b><u>2,883,344</u></b>	<b><u>3,769,099</u></b>
<b>Total liabilities</b>		<b><u>2,883,344</u></b>	<b><u>3,769,099</u></b>
<b>Total equity and liabilities</b>		<b><u>3,958,958</u></b>	<b><u>4,687,179</u></b>
Going concern	1		
Contingents liabilities	5		
Related parties	6		

## Notes

### Note 1. Going concern

The Company is part of the Greenship Gas Trust Group and is dependent on the Group for business and financing purposes. Accordingly, the financial situation of the Greenship Gas Trust Group is key for the Company's own going concern assessment.

Other entities in the Greenship Gas Trust Group breached certain financial covenants at 31 December 2018, and was in situation of default and cross-default on its loans at the end of the reporting period. Therefore, the Group requested a waiver from the lenders. The Group has until now received positive feedback from almost all lenders about getting the waiver.

Due to the cross-default of bank debt triggered by events of default and cross-default of provisions in loan agreements by other entities in the Greenship Gas Trust Group, the lenders are unconditionally and contractually entitled to request immediate repayment of the outstanding bank debt at 31 December 2018.

In 2019, all instalments have been paid according to agreement. As of the date approving these financial statements, no lenders have started any default procedures and it is not expected that any such default procedures will be initiated.

To test the going concern assumption, Management has assessed and concluded that if the Company was to accelerate disposal of its assets, the realistic proceeds from such accelerated disposals would be adequate to ensure full payment of all creditors.

Cash flow forecast has been prepared for 2019, which shows that the Company has sufficient liquidity to pay creditors as they fall due throughout 2019 even though other companies in the Group's ability to repay outstanding might suffer from above mentioned issue

Based on the above it has been considered appropriate that these financial statements for the twelve months period ended 31 December 2018 have been prepared on a going concern basis.

	2018 USD	2017 USD
<b>Note 2. Employee expenses</b>		
Analyses of staff costs:		
Wages and salaries	2,992,346	2,811,670
Pension costs	483,879	393,492
Other social security costs	23,122	25,090
Other staff costs	<u>135,130</u>	<u>153,271</u>
	<u>3,634,477</u>	<u>3,383,524</u>
Average number of employees	<u>22</u>	<u>23</u>

## Notes - continued

	2018 USD	2017 USD
<b>Note 3. Tax for the year</b>		
Current years income tax	70,064	0
Adjustment to previous years income tax	<u>41,554</u>	<u>41,838</u>
	<u>111,618</u>	<u>41,838</u>

## Note 4. Other fixtures and fittings, tools and equipment

	<u>USD</u>
<b>Cost</b>	
Balance at 1/1	62,600
Additions in the year	0
Disposals in the year	<u>0</u>
<b>Cost at 31/12</b>	<u><b>62,600</b></u>
<b>Depreciation and write-downs</b>	
Balance at 1/1	0
Depreciation in the year	0
Disposals in the year	<u>0</u>
<b>Depreciation and write-downs at 31/12</b>	<u><b>0</b></u>
<b>Carrying amount at 31/12</b>	<u><u><b>62,600</b></u></u>

## Note 5. Contingent liabilities

The Company has entered into rent leases, operating leases and agreements regarding sales of services.

The Company's obligations are falling due as follows:

	2018 USD	2017 USD
Falling due within 1 year	320,288	321,117
Falling due between 1 and 5 years	<u>856,044</u>	<u>1,049,195</u>
	<u>1,176,332</u>	<u>1,370,312</u>

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

## Note 6. Related parties

Related parties include the parent company Evergas A/S, Kalvebod Brygge 39-41, Copenhagen DK-1560, which holds the entire share capital in the Company.

The Company is included in the consolidated financial statements of Evergas A/S, which are available at the Company's address: Kalvebod Brygge 39-41, Copenhagen DK-1560.