

B-Gas A/S
Havnegade 39
DK-1058 Copenhagen K
Central Business Registration No
33037015

Annual report 2016

The Annual General Meeting adopted the annual report on 20.04.2017

Chairman of the General Meeting

Name: Atle Bergshaven

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Entity details

Entity

B-Gas A/S
Havnegade 39
DK-1058 Copenhagen K

Central Business Registration No: 33037015

Registered in: Copenhagen

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Atle Bergshaven, Chairman
Nicolai Eirik Lorentzen
Jan Håkon Pettersen

Executive Board

Kim Aksel Kristensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of B-Gas A/S for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Limassol, 20.04.2017

Executive Board

Kim Aksel Kristensen

Board of Directors

Atle Bergshaven
Chairman

Nicolai Eirik Lorentzen

Jan Håkon Pettersen

Independent auditor's report

To the shareholder of B-Gas A/S

Opinion

We have audited the financial statements of B-Gas A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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:

Independent auditor's report

- 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.

Independent auditor's report

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, 20.04.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Kim Takata Mücke
State Authorised Public Accountant

Bjarne Iver Jørgensen
State Authorised Public Accountant

Management commentary

Primary activities

The purpose of the B-Gas A/S is shipping activity and any activity, which according to the judgement of the Board of Directors is related hereto. Furthermore, the Entity provides commercial services to other companies.

The main part of the Entity's income is generated in USD.

Development in activities and finances

The 2016 income statement shows a profit of USD 45 thousand and the balance sheet at 31 December 2016 shows equity of USD 434 thousand, which are in line with last year's expectations for the year.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016</u> <u>USD'000</u>	<u>2015</u> <u>USD'000</u>
Revenue		1.292	1.350
Other external expenses		<u>(301)</u>	<u>(328)</u>
Gross profit/loss		991	1.022
Staff costs	1	(937)	(952)
Depreciation, amortisation and impairment losses		<u>(1)</u>	<u>(1)</u>
Operating profit/loss		53	69
Other financial income		52	211
Other financial expenses		<u>(47)</u>	<u>(217)</u>
Profit/loss before tax		58	63
Tax on profit/loss for the year	2	<u>(13)</u>	<u>(15)</u>
Profit/loss for the year		45	48
Proposed distribution of profit/loss			
Retained earnings		<u>45</u>	<u>48</u>
		45	48

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 USD'000</u>	<u>2015 USD'000</u>
Other fixtures and fittings, tools and equipment		1	2
Property, plant and equipment	3	1	2
Deferred tax		4	5
Fixed asset investments		4	5
Fixed assets		5	7
Trade receivables		2	4
Receivables from group enterprises		587	137
Other receivables		24	38
Prepayments		36	35
Receivables		649	214
Cash		31	449
Current assets		680	663
Assets		685	670

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 USD'000</u>	<u>2015 USD'000</u>
Contributed capital	4	96	96
Retained earnings		338	293
Equity		<u>434</u>	<u>389</u>
Trade payables		51	64
Income tax payable		22	25
Other payables		178	192
Current liabilities other than provisions		<u>251</u>	<u>281</u>
Liabilities other than provisions		<u>251</u>	<u>281</u>
Equity and liabilities		<u>685</u>	<u>670</u>
Unrecognised rental and lease commitments	5		

Statement of changes in equity for 2016

	Contributed capital USD'000	Retained earnings USD'000	Total USD'000
Equity beginning of year	96	293	389
Profit/loss for the year	0	45	45
Equity end of year	96	338	434

Notes

	2016	2015
	USD'000	USD'000
1. Staff costs		
Wages and salaries	780	795
Pension costs	124	120
Other social security costs	11	10
Other staff costs	22	27
	937	952
Average number of employees	9	
	2016	2015
	USD'000	USD'000
2. Tax on profit/loss for the year		
Tax on current year taxable income	12	13
Change in deferred tax for the year	1	2
	13	15
		Other fixtures and fittings, tools and equipment USD'000
3. Property, plant and equipment		
Cost beginning of year		38
Cost end of year		38
Depreciation and impairment losses beginning of the year		(36)
Depreciation for the year		(1)
Depreciation and impairment losses end of the year		(37)
Carrying amount end of year		1

Notes

	<u>Number</u>	<u>Nominal value USD'000</u>
4. Contributed capital		
Ordinary shares	5.000	96
	5.000	96

Contributed capital in DKK 500,000

	<u>2016 USD'000</u>	<u>2015 USD'000</u>
5. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	82	211

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

The financial statements are presented in USD – the Company's functional currency.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Exchange differences arising from the settlement of monetary items or from translating monetary items at the balance sheet date are recognised in the income statement.

At December 2016, the exchange rate USD/DKK was 7.05 against 6.83 at 31 December 2015.

Income statement

Revenue

Revenue from services is recognised currently with the delivery of services.

Other external expenses

Other external expenses include administrative expenses etc.

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax