Evergas A/S

Kalvebod Brygge 39-41
DK - 1560 Copenhagen
CVR No. 33 24 15 85

Annual report

for the year ended 31 December 2019

Approved at the annual general meeting of shareholders,
on 9 June 2020

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Pia Lindberg

Contents

Company details

Evergas A/S
Kalvebod Brygge 39-41
DK - 1560 Copenhagen
CVR No. 33 24 15 85
www.evergas.net

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, the Executive Board and Board of Directors have discussed and approved the annual report of Evergas A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2019 and of the results of the Group's and the Parent Company's operations and of the consolidated cash flows for the financial year 1 January – 31 December 2019.

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

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

Copenhagen, 9 June 2020

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 A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Evergas A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 consolidated financial statements and the parent financial statements* section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 9 June 2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kim Takata Mücke	Martin Pieper
State-Authorised	State-Authorised
Public Accountant	Public Accountant
MNE no 10944	MNE no 44063

Financial highlights

	2019	2018	2017	2016	2015
Key figures for the Group (in 000'USD)					
Revenue	33,634	33,705	81,936	68,685	66,080
EBITDA	24,740	22,376	21,221	1,852	1,060
EBIT	16,512	14,482	5,385	(5,224)	(4,065)
Net financials	(12,317)	(12,171)	(11,365)	(5,463)	(3,257)
Loss from discontinued operations	(2,006)	(18,333)	0	0	0
Net profit/loss for the year	2,167	(16,033)	(6,098)	(10,685)	(7,236)
Equity at year end	8,392	6,225	22,258	28,239	38,877
Total assets	244,466	278,063	297,306	245,329	165,399
Investments in tangible assets	1,364	1,126	51,980	102,261	30,089
Ratios					
EBIT margin	49,09%	42,97%	6.57%	-7.60%	-6.15%
Equity ratio	3,43%	2,24%	7.49%	11.51%	23.51%
Return on equity	29,65%	-112,58%	-24.15%	-31.84%	-19.55%

Definition of financial ratios:

EBIT margin: Profit/loss before net financials (EBIT) / Revenue * 100

Equity ratio: Equity / Total assets * 100

Return on equity: Net profit/loss for the year / Average equity in the year * 100

Management's commentary

Business activities and mission

Evergas A/S and its subsidiaries ("Evergas Group", "Evergas", or "the Group") is a group with activities to carry on shipping business. Our focus is to make gas transport simple and safe, and to set new standards for efficient and sustainable gas transport at sea. Our mission is to excel in the transportation of liquefied gasses, including LNG.

Business review (consolidated)

The Group's result for 2019 is a profit of USD 2.2 million against a loss of USD 16.0 million in 2018.

The total result for 2019 is lower than expected due to lower freight rate levels and lower utilization of the LEG vessels until they were handed over to the new owners. The result of the LEG vessels until they were sold are presented as discontinued operations.

The Group's total assets per 31 December 2019 is USD 243.6 million (2018: USD 278.1 million).

The vessels' value (including fixtures and fittings) is the most significant asset value of USD 177.2 million in 2019 (2018: USD 184.9 million) against an interest-bearing bank debt of USD 150.9 million (2018: USD 193.1 million) and long-term payables to group enterprise of USD 28.2 million (2018: USD 27.1). As per 31 December 2019, The Group had current assets of USD 63.8 million (2018: USD 90.2 million) against current liabilities of USD 64.6 million (2018: USD 243.8 million).

Evergas has cash and cash equivalents of USD 7.2 million as of 31 December 2019 (2018: USD 5.3 million).

Evergas' equity per 31 December 2019 is USD 8.4 million (2018: USD 6.2 million).

Risk factors

Evergas' result depends on the worldwide market for vessels within the LNG segment. Market conditions for shipping activities are typically volatile and, as a consequence, the result may vary considerably from year to year. The shipping market in broad terms is dependent upon two factors; the supply of vessels and the overall growth in the world economy which affect the demand side. The supply of vessels is a combination of new-buildings, demolition of older tonnage and legislation that limits the use of older vessels or sets new standards for vessels used in specific trades. When the market is weak, the supply side takes much longer time to adjust to the reduced demand for seaborne transportation, and as a consequence, the market will suffer for a period until balance is achieved. From an asset management perspective, high markets will be very liquid in shipping whereas low markets are very illiquid.

In order to limit and curtail such exposure, Evergas has continued into the niche Ethane segment and have become a leading Owner/ operator with over 1.4 million tonnes Ethane transported in 2019 in total. In addition, the LNG carriers are on long 10-15 years' time charters.

Evergas aims at securing a robust financial platform for its operations.

The bunker fuel expenses are sought secured through bunker clauses in the contracts.

Evergas has mitigated credit risks by a long term contract with a major chemical company.

Management's commentary - continued

Evergas' exposure to interest rate risk is related to interest-bearing liabilities. Evergas' Management periodically reviews and assesses the interest rate risk, and considers hedging of such risk based on various short-and long-term effects on liquidity and results. As per 31 December 2019, no interest risk was hedged. A +/- 1.0 % change in the interest rate would have a +/- USD 1.6 million effect on the profit before tax.

Evergas' functional currency is USD as the majority of the transactions are in USD. Currency risks therefore arise in connection with transactions in other currencies than USD. The Group may use financial derivatives to reduce the net operational currency exposure. No derivatives have been entered as per 31 December 2019.

Health, safety, environment and climate

Evergas is committed to sustainable thinking as Evergas believe this will unlock growth to the benefit of both Evergas and society. Efforts in sustainable development are particularly focused on, but not limited to, the following areas: Innovative Technology & the Environment, Health Safety & Security (HSS) & Development of Human Resources, Governance Standards.

Human capital is a core asset for Evergas. Employee safety presents a significant risk to our business, and accidents can negatively impact our ability to maintain and attract qualified and motivated employees both at sea and ashore.

In 2019, through Evergas Ship Management, around 525 people were engaged either ashore or at sea in securing and developing the Evergas quality to its customers across the globe.

The safety and well-being of our employees has the highest priority, and Evergas aims to continuously provide and enhance healthy, high-quality working conditions, both ashore and on board the vessels within a zero-incident tolerance environment.

Evergas experienced 1.8% absence due to illness in 2019 compared to 3.2% in 2018 and zero work-related injuries during 2019 for shore based employees. For the seafarers, there has been reported one work-related lost time injury during the year.

2019 was a turnaround year for Evergas with sale of the loss-making LEG vessels.

Initiatives unveiled in 2018 were continued in 2019 with good results. These include having a dedicated traveling safety superintendent for onboard training, periodic one day safety workshop for ratings in Colombo. Evergas signed up Shell's initiative of Maritime Partners in Safety with the intention of achieving goal of zero injuries.

One sea staff seminar was organized in Prague in August, attended by shore staff and selected speakers from Ineos. The conduct of seminar was appreciated by all attendees.

We also held periodic safety review meetings with Ineos, where full review of the health and safety measures was carried out to their satisfaction. Evergas Ship management attained ISO 9001: 2015 and ISO 14001: 2015 certification.

Management's commentary – continued

We have continued working with the KPI's which was implemented in 2015 to ensure optimization of performance in all areas of the business and knowledge across departments.

The primary environmental and climate risks arise from fuel consumption and emissions from vessels, while wastewater and accidental spills also present possible risks. We support regulation which will significantly reduce these effects. Further, our Environmental Management Manual provides comprehensive guidelines for mitigating the environmental and climate risks arising from the vessel operations.

Evergas continues to minimize impact on environment and climate due to its activities. Dragon vessels are mainly using ethane as fuel for propulsion which helped reduce the 2019 CO2 emissions by 7.7% and SOx by 51% as compared to emissions when using conventional fuels. Slow steaming is being used on vessels wherever there is a known delay in the next port. Performance monitoring system Coach is being used to study and compare consumption patterns on our vessels and measure such as hull cleaning, propeller polishing, and engine tuning are being employed to maximize fuel efficiency.

All vessels operated by Evergas are fitted with ballast water treatment system complying with the IMO requirements and USCG approval. The treatment system control introduction of alien invasive species in the area of discharge of ballast water. All our vessels on long haul cross ocean voyages subscribe to weather routing service to choose optimum route. Evergas successfully implemented processes for compliance with EU MRV regulations. All the vessels have approved monitoring plan. Data was collected throughout 2018 and first submission was made in 2019, resulting in obtaining document of compliance (DoC). Evergas complies with IMO data collection system (DCS) for emissions, which comes into force in 2019. All the vessels have received approved amendments to Ship Energy Efficiency Management Plan (SEEMP) for compliance.

Human rights and human resources

We consider the primary human rights arising from our business to be related to our employees, whose right to a workplace that is safe and free from discrimination may be negatively impacted by unsafe and discriminatory practices. Failure to minimize this risk may limit our ability to attract and retain talented employees and harm our reputation.

Evergas Employees are a variety of ages, levels of experience, nationalities, languages and genders. The Evergas organization embraces a diversified workforce in which employment, promotions, responsibility and job enrichment are based on qualifications and abilities and not on gender, age, race, political- nor religious views. Evergas believes in equal opportunity for men and women in the workplace. The shipping business is historically male-dominated. Onboard the vessels, the picture remains very traditional close to zero female employment. The lack of female sea staff is, however, purely because there is almost no female staff available. Female representation among shore-based employees in Evergas is slightly up from 32% in 2018 to 33% in 2019. Evergas has a policy of zero tolerance towards misconduct and exploitation. We have implemented our policy by distributing it to employees and encouraging their awareness through different forms of communication, including our employee development dialogue. We have also implemented family friendly work arrangements.

We did not identify any violations of employee's human rights in 2019.

Gender composition of management

The Board currently consist of three members, all male. Their appointment was made recently a few years ago and there are no immediate plans for replacement of current board members. It is the goal that the underrepresented gender,

presently female, should have at least one seat in the Board, equivalent to 33 pct. of the Board of Directors. This is however only possible whenever a replacement in any of the positions becomes relevant, and the goal is therefore presently not fulfilled in 2019.

The Board will work to achieve female representation once new Board members are appointed. Evergas aim to comply with the goal in 2022. In the day to day management team of Evergas 2 of 5 leaders are female.

Evergas generally wants to ensure, that it always is the most qualified person who possesses the position. In this connection it should be mentioned, that it is Evergas' policy to secure equal opportunities based on qualifications but also to assure that both male and female candidates are considered and identified in connection with internal and external recruitment of employees and managers, and that both women and men are part of the Group's talent program.

Anti corruption and bribery

The most significant risk relates to our employees encountering – or themselves engaging in – corrupt practices to gain an advantage. Incidents of corruption can damage not only our business relationships but also our reputation as an ethical business.

Evergas focuses on transparency in its conduct of business, supports free enterprise and seeks to compete in a fair and ethical manner.

Evergas has a zero tolerance policy towards bribery and continuously works to prevent and reduce facilitation payments. Evergas has an anti-corruption policy, which is applicable to both shore and sea-going employees. This policy is signed by the CEO of the company and reviewed periodically. It is available to all employees either electronically or print copy displayed at work site. Ship staff have been given specific guidance by way of procedure in their Safety Management System. The procedure is reviewed annually. Evergas is a member of Maritime Anti-corruption network (MACN), which is a global business network working towards the vision of a maritime industry free of corruption. Evergas periodically trains its shore based employees on anti-corruption/ bribery issues through e-Learning.

We did not identify any incidents of corruption in our operations in 2019.

Corporate governance

Evergas focuses on high ethics, innovation and transparency and a responsible interaction between the Board, Management and stakeholders of the company. The Company's success is profoundly dependent upon internal and external confidence and trust. We believe this is achieved by well-founded business practices, financial performance and timely and correct communication to the market.

Subsequent events

The Group will have to compensate crew that cannot be replaced in due time and foresee possible challenges with service engineers and spares connections due to possible re-scheduling and rerouting of the vessels for safety reasons. However, as per the date of the approval of this report, the additional cost is not expected to have significant influence on the financial performance of the Group. On the income side the vessels are on long term contracts and therefore the COVID-19 is presently not expected to have any impact on the Groups capability to secure the income side.

Management's commentary – continued

Outlook

Evergas is an active participant in the industry for transportation of liquified gases and has commercial control of 3 modern LNG vessels. The LNG vessels are operated on long term contracts.

Due to the unfortunate outbreak of the COVID-19 in 2020 the Company has taken measures to protect employees.

The Board of Directors has assessed that significant accounting estimates and judgements have not been changed due to the COVID-19 outbreak. Furthermore, the collectability of receivables at 31 December 2019 is not assessed to be impacted.

No other events subsequent to the balance sheet date, would require adjustments to or disclosures in the Company's financial statements.

2020 is expected to show a substantially improved net result compared to 2019 due to the sale of the LEG fleet. The result is expected to be in the range of USD 6.2 M – USD 6.5 M.

Evergas remains committed to our credo "Carried with Experience".

Accounting policies

The annual report of Evergas A/S has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

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 Group and the Parent Company, which is also USD. The exchange rate between USD/DKK per 31 December 2019 was 6.68 against 6.52 per 31 December 2018.

All group enterprises are presented in USD, based on bookkeeping records maintained in USD.

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.

Consolidation

The consolidated financial statements comprise the Parent company, Evergas A/S and enterprises in which the Parent - directly or indirectly - holds more than 50% of the voting rights or otherwise has a controlling interest. Enterprises in which the Parent - directly or indirectly - holds between 20% and 50% of the voting rights or otherwise exercise significant influence are considered associates.

Enterprises that are jointly managed by the Group and other enterprises are consolidated on a pro rata basis in the consolidated financial statements, using the same methods as used for the consolidation of group enterprises.

The financial statements of the Group's enterprises are prepared in accordance with the accounting policies applied by the Parent. The consolidated financial statements are prepared on the basis of the financial statements of the Parent and the Group's enterprises by aggregating items of a similar nature.

Intra-group income, expenses, losses, profits and balances are eliminated.

Investments in group enterprises are eliminated with the proportionate share of the net asset value of the group enterprise concerned.

Group enterprises recently acquired or sold are included in the consolidated income statement by reference to the period of ownership.

The purchase method is applied to acquisitions of new enterprises. The cost includes the cash consideration and/or the market price of treasury shares paid as consideration. Purchase consideration conditional on future events is included in the cost at the net present value of the amount expected to be paid. Identifiable assets and liabilities in the acquired enterprises are measured at fair value at the time of acquisition.

Accounting policies - continued

Income statement

Revenue and voyage related expenses

Income is recognized in the income statement when:

- The income generating activities have been carried out on the basis of a binding agreement
- The income can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Company
- Costs relating to the transaction can be measured reliably

Revenue comprises freight, charter hire and demurrage revenues from vessels. Revenue is recognized when or as performance obligations are satisfied by transferring the promised services to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably. Revenue is measured at the consideration that the Company expects to be entitled to. Accordingly, freight, charter hire and demurrage revenue are recognized at selling price upon delivery of the service as per the charter parties concluded.

Demurrage revenue

Freight contract contain conditions regarding the amount of time available for lading and discharging of the vessel. If these conditions are breached, the Company is compensated for the additional time incurred in the form of demurrage revenue. Demurrage revenue is recognized upon delivery of services in accordance with the terms and conditions of the charter parties. Upon completion of the voyage, the Company assesses the time spent in port, and a demurrage claim based on the relevant contractual conditions is submitted to the charterers.

The claim will often be met by counterclaims due to differences in the interpretation of the agreement compared to the actual circumstances of the additional time spent. Any adjustment to the final agreement is recognized as adjustment to demurrage revenue.

Other operating income and expenses

Other operating income and expenses include items of a secondary nature relative to the enterprise's core business. Revenue from the sales of services is recognised concurrently with the delivery of the services.

External expenses

External expenses include other operating expenses for the vessels like crewing, insurance, technical expenses and management fees.

Administration expenses

Administration expenses include expenses related to IT, sales and marketing, administration and premises etc.

Employee expenses

Employee expenses include wages and salaries, pension costs and other social security costs.

Amortization/depreciation non-current assets

Amortization/depreciation include amortization and depreciation of property, plant and equipment. Fixed assets are amortized/depreciated using the straight-line method, based on the cost, less impairment.

Accounting policies - continued

Goodwill is amortized over the expected economic life, measured by reference to an assessment of, among other factors, the nature and market position of the business, the stability of the industry and the dependence on key staff. The company is considered to have a strong market position, name and brand in the long term, enhanced by the implemented new-buildings, and therefore the amortization period was originally set to 20 years. In 2018, goodwill was written down to USD 0 (nil).

Property, plant and equipment is depreciated on a straight-line basis to the residual value, based on the cost, measured by reference to the following assessment of the useful lives:

	Useful-life
Vessels	25-30 years
Drydock	5 years
Other fixtures, tools and equipment	3-5 years

Residual value for the vessels are estimated to 6.8 MUSD for LNG vessels and for office equipment it is estimated to nil. The residual value is determined at the time of acquisition based on the market steel price and are reassessed every year.

Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized. In case of changes in the residual value, the effect on the depreciation charges is recognized prospectively as a change in accounting estimates.

Gains or losses on the sale of fixed assets are recognized in the income statement under 'Loss of sale on non-current asset'.

Share of profit/loss in associated companies
Income from investments in associated companies includes a proportionate share of profit/loss in the respective underlying associates.

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.

The Parent is jointly taxed with all of its Danish group enterprises. The Danish income tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation method).

The Parent is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends in the group of jointly taxed entities.

The Parent acts as a management company for all the companies encompassed by the joint taxation arrangement, meaning that the Parent is responsible for ensuring that taxes, etc., are paid to the Danish tax authorities.

Accounting policies - continued

Jointly taxed companies entitled to a tax refund are, at a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Tonnage Tax
All Danish vessels owing entities within Evergas have entered the Danish Tonnage Tax Scheme, which is binding until 2020.

Balance sheet

Property, plant and equipment
Vessels
Vessels are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the vessels. The cost is split into vessel and docking components.

All separate components are depreciated on a straight-line basis over the useful life of the separate item.

Depreciation is based on cost less the estimated residual value. The residual value of the vessels is estimated as the light-weight tonnage of each vessel multiplied by expected steel price per ton.

The residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

Components of vessels are derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on de-recognition of an asset is included in the income statement in the year the asset is de-recognized.

An impairment test is prepared for property, plant and equipment if there are indications of decreases in value. The impairment test is prepared 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.

Other fixtures, tools and equipment
Other fixtures, tools and equipment are measured at cost less accumulated depreciation (to the residual value) and write-downs.

An impairment test is prepared if there are indications of decreases in value. The impairment test is prepared 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.

Investments in group enterprises and associates
Investments in group enterprises are measured at cost. Where the cost exceeds the net realizable value, a write-down is made to such lower value.

Accounting policies - continued

Investments in associated are measured by using the equity method.

Other financial assets
Other financial assets represent liquidated damage costs, which are amortized over the life of the underlying contract.

Inventories
Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realizable value.

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

Prepayments
Prepayments recognized under 'Assets' comprise prepaid costs to be expensed in subsequent reporting years.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and short-term bank deposits.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

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 on prior years’ taxable income and tax paid in advance.

Taxable Income is calculated according to the regulations of the Danish Tonnage Tax Act or general tax regulation depending on activity. Shipping activities are taxed on the basis of the net tonnage at disposal.

Financial lease
Leases of vessels where a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Charter hire costs under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant charters. Benefits received as an incentive to enter into an operating lease are recognize as income on a straight-line basis over the term of the charters.

Finance leases are capitalized at the commencement of the charters at the fair value of the chartered asset or, if lower, at the present value of the minimum charter hire payments. Charter hire payments are apportioned between finance charges

Accounting policies - continued

and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the term of the charters, if there is no reasonable certainty that the Group will obtain ownership by the end of the term of the charters.

Financial liabilities

Financial liabilities are recognized initially at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortized cost, using the effective interest rate method.

Deferred income – non-current liability

Deferred income recognized as a liability comprises payments received to be recognized as income in subsequent reporting years. They are amortized over the life-time (firm period) of the time charter agreement.

Other liabilities

Other payables are measured at amortized cost, which, essentially, corresponds to the fair value.

Deferred income – current liability

Deferred income recognized as a liability comprises payments received to be recognized as income in subsequent reporting years.

Provisions

Provisions comprise anticipated losses on onerous contracts and time charter agreements, etc. Provisions are recognized when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realizable value. If the obligation is expected to be settled far into the future, the obligation is measured at net present value. Due to the sale of the LEG vessels in 2019 there is no provision for onerous contracts at the end of 2019.

Cash flow statement

The cash flow statement shows the enterprise's net cash flows, the year's changes in cash and cash equivalents and the enterprise's cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are presented using the indirect method and are calculated as the net profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid financial items and paid income taxes.

Cash flows from investing activities comprise payments related to additions and disposals of fixed assets.

Cash flows from financing activities comprise dividends paid to shareholders, capital increases and reductions, proceeds from borrowings and repayments of interest-bearing debt.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, net of outstanding bank overdrafts which are repayable on demand.

Income statement

1 January – 31 December 2019

		Group		Parent company	
	Notes	**2019 USD**	**2018 USD**	**2019 USD**	**2018 USD**
Revenue	2	33,634,169	33,704,591	0	101,928
Voyage related expenses		(339,922)	(339,922)	0	570
Freight income on T/C basis		33,294,247	33,364,669	0	102,498
Other operating income	3	5,069,345	4,701,750	16,720	16,642
External expenses		(10,589,496)	(10,618,425)	0	0
Administration expenses		(1,587,410)	(1,984,654)	(95,455)	(127,646)
Gross profit/(loss)		**26,186,687**	**25,463,340**	**(78,735)**	**(8,506)**
Employee expenses	4	(1,756,825)	(3,086,976)	0	0
Profit/(loss) before interest, taxes, depreciation and amortization (EBITDA)		**24,429,862**	**22,376,364**	**(78,735)**	**(8,506)**
Depreciation non-current assets	5	(7,943,316)	(7,893,990)	0	(130,419)
Loss on sale of non-current asset		0	0	(10,429)	(329,304)
Profit/(loss) before financial items (EBIT)		**16,486,546**	**14,482,374**	**(89,164)**	**(468,229)**
Share of profit/(loss) in associated companies		0	0	10,996	94,993
Financial income	6	14,127	109,047	11,443,953	1,839,044
Financial expenses	7	(12,265,167)	(12,280,200)	(7,203,372)	(9,769,399)
Profit/(loss) before tax		**4,235,506**	**2,311,221**	**4,162,413**	**(8,303,592)**
Tax	8	(21,857)	(5,971)	0	0
Profit/(loss) for the year continued operations		**4,213,649**	**2,305,250**	**4,162,413**	**(8,303,592)**
Loss for the year from discontinued operations	9	(2,006,314)	(18,333,111)	0	0
Profit/(loss) for the year		**2,207,334**	**(16,027,860)**	**4,162,413**	**(8,303,592)**

Proposed distribution of profit/loss				
Transferred to retained earnings	2,207,334	(16,027,860)	4,162,413	(8,303,592)
Total appropriation	**2,207,334**	**(16,027,860)**	**4,162,413**	**(8,303,592)**

Balance sheet

At 31 December

	Notes	Group 2019 USD	Group 2018 USD	Parent company 2019 USD	Parent company 2018 USD
Assets					
Fixed assets					
Vessels and drydock		177,011,160	184,792,526	0	0
Other fixtures, tools and equipment		183,031	107,754	0	0
Vessels, drydock and equipment	10	**177,194,191**	**184,900,280**	**0**	**0**
Investments in group enterprises	11	0	0	9,612,688	27,520,757
Investments in associates	12	47,303	36,307	47,303	36,307
Receivables from group enterprises	13	0	0	6,146,566	5,914,898
Other financial assets	14	2,633,620	2,973,542	0	0
Financial assets		**2,680,923**	**3,009,849**	**15,806,556**	**33,471,849**
Total fixed assets		**179,875,114**	**187,910,129**	**15,806,556**	**33,471,961**
Current assets					
Vessels		**0**	**48,805,000**	**0**	**0**
Inventories		**935,618**	**3,541,419**	**0**	**0**
Trade receivables		472,183	1,475,027	0	0
Receivables from group enterprises		53,199,738	25,431,339	43,965,735	24,309,072
Other receivables		1,193,258	4,463,658	42,019	10,050
Prepayments	15	724,725	1,119,027	0	994
Receivables		**55,589,904**	**32,489,051**	**44,007,754**	**24,320,116**
Cash and cash equivalents		**7,233,026**	**5,317,236**	**3,849,155**	**356,315**
Total current assets		**63,758,548**	**90,152,706**	**47,856,909**	**24,676,431**
Total assets		**243,633,662**	**278,062,835**	**63,663,465**	**58,148,391**

Balance sheet - continued
at 31 December

	Notes	Group 2019 USD	Group 2018 USD	Parent company 2019 USD	Parent company 2018 USD
Equity and liabilities					
Equity					
Share capital	16	48,523,306	48,523,306	48,523,306	48,523,306
Accumulated loss		(40,090,913)	(42,298,248)	(21,351,005)	(25,513,418)
Total Equity		**8,432,393**	**6,225,058**	**27,172,301**	**23,009,888**
Liabilities					
Bank debt	17	141,857,021	0	0	0
Deferred income		802,062	900,205	0	0
Payables to group enterprises	17	28,178,587	27,119,948	30,958,737	32,820,034
Long-term liabilities		**170,837,670**	**28,020,153**	**30,958,737**	**32,820,034**
Provisions	18	0	5,944,627	0	0
Bank debt	17	9,073,057	193,141,600	0	0
Deferred income	19	2,780,452	2,780,452	0	0
Trade payables		1,592,303	4,903,995	0	62,486
Payables to group enterprises	17	46,303,393	29,924,331	5,532,285	2,245,131
Other payables		4,614,394	7,122,619	142	10,853
Short-term liabilities		**64,363,599**	**243,817,624**	**5,532,427**	**2,318,469**
Total liabilities		**235,201,269**	**271,837,777**	**36,491,164**	**35,138,503**
Total equity and liabilities		**243,633,662**	**278,062,835**	**63,663,465**	**58,148,391**

Subsequent events	1
Security for loans	20
Contingent liabilities and other financial obligations	21
Fees to the auditors appointed by the General Meeting	22
Related parties	23

Consolidated statement of changes in equity, Group

	Share capital	*Accumulated loss*	*Total*
Equity at 1/1 2019	**48,523,306**	**(42,298,248)**	**6,225,058**
Transfer for the year	0	2,207,334	2,207,334
Equity at 31/12 2019	**48,523,306**	**(40,090,914)**	**8,432,393**

Statement of changes in equity, Parent Company

	Share capital	*Accumulated loss*	*Total*
Equity at 1/1 2019	**48,523,306**	**(25,513,418)**	**23,009,888**
Transfer for the year	0	4,162,413	4,162,413
Equity at 31/12 2019	**48,523,306**	**(21, 351,005)**	**27, 172,301**

Consolidated cash flow statement

	Notes	2019 USD	2018 USD
Profit/(loss) for the year		2,207,334	(16,027,860)
Non-cash items, etc.	24	15,038,218	42,486,045
Changes in working capital, net	25	(22,815,134)	(14,818,156)
Cash flows from operating activities before net financials		**(5,569,582)**	**11,640,029**
Interest received		14,149	9,953
Interest paid		(11,255,095)	(12,608,474)
Cash flows from operating activities		**(16,810,529)**	**(958,492)**
Additions of vessels and drydock		(102,660)	(1,052,526)
Additions of other fixtures, tools and equipment		(143,982)	(73,563)
Proceeds from disposal of vessels		49,227,889	3,872,773
Cash flows from investing activities		**(48,981,247)**	**(2,746,684)**
Change in intercompany loan		12,535,186	(738,847)
Repayments, long-term bank debt		(42,790,115)	(13,272,727)
Cash flows from financing activities		**(30,254,929)**	**(14,011,574)**
Net cash flow for the year		**1,915,789**	**(12,223,383)**
Cash and cash equivalents			
Cash and cash equivalents at 1/1		5,317,236	17,540,619
Net cash flow for the year		1,915,789	(12,223,383)
Cash and cash equivalents at 31/12		**7,233,026**	**5,317,236**

Notes

Note 1. Subsequent events

The COVID-19 outbreak in 2020 is considered a non-adjusting event, which has no impact on the 2019 annual financial statements. Management is closely monitoring any potential impact on the Group's business. The Group will have to compensate crew that cannot be replaced in due time and foresee possible challenges with service engineers and spares connections due to possible re-scheduling and rerouting of the vessels for safety reasons. However, as per the date of the approval of this report, the additional cost is not expected to have significant influence on the financial performance of the Group. On the income side the vessels are on long term contracts and therefore the COVID-19 is presently not expected to have any impact on the Groups capability to secure the income side.

Note 2. Revenue

Evergas is carrying on shipping business worldwide. In accordance with §96 in the Danish Financial Statements act and for competitive reasons, Evergas does not disclose a revenue split on geographic or business segments.

Note 3. Other operating income

	Group		Parent company	
	2019 USD	**2018 USD**	**2019 USD**	**2018 USD**
Project & other operating income	0	0	16,720	16,642
Service fee income	5,069,345	4,701,750	0	0
	5,069,345	4,701,750	16,720	16,642

Note 4. Employee expenses

Wages and salaries	1,429,057	2,484,846	0	0
Pension costs	215,526	458,879	0	0
Other social security costs	23,028	22,121	0	0
Other staff costs	89,214	121,130	0	0
	1,756,825	3,086,976	0	0

The Board of Directors have not received remuneration in 2018 and 2019. According to the Danish Financial Statements Act § 98b, the total remuneration to the Executive Board is not disclosed.

Average number of employees	13	22	0	0

Notes

Note 5. Depreciation non-current assets

	Group		Parent company	
	2019 USD	2018 USD	2019 USD	2018 USD
Depreciation vessels	7,874,611	7,864,129	0	130,419
Other fixtures and fittings, tools and equipment	68,705	29,861	0	0
	7,943,316	7,893,990	0	130,419

Note 6. Financial income

Interest, group enterprises	0	0	780,164	1,005,788
Other financial income*	0	99,095	10,650,106	683,010
Other interest and currency gains	14,127	9,952	13,683	150,246
	14,127	109,047	11,443,953	1,839,044

* The amount of USD 10,650,106 in other financial income for the parent company in 2019 is due to a reversal of previous write-downs on a long term-receivable from Evergas Shipholding A/S.

Note 7. Financial expenses

Write-down of receivables from group enterprises	0	0	5,282,686	4,935,699
Write-down of subsidiaries	0	0	526,599	3,512,768
Interest, group enterprises	992,763	1,039,969	1,220,893	1,230,776
Interest, exchange losses and similar expenses	11,272,404	11,240,231	173,194	90,156
	12,265,167	12,280,200	7,203,372	9,769,399

Note 8. Tax

Adjustment to previous years income tax	(12,773)	4,612	0	0
Corporate income tax	(9,084)	(10,581)	0	0
	(21,857)	(5,971)	0	0

Notes

Note 9. Loss for the year from discontinued operations

	Note	Group 2019 USD	Group 2018 USD
Revenue		19,454,667	62,111,845
Voyage related expenses		7,156,628	(21,120,792)
Freight income on T/C basis		**12,298,039**	**40,991,053**
External expenses		(18,298,334)	(36,429,857)
Gross profit/loss		**(6,000,295)**	**4,561,196**
Employee expenses		(1,721,867)	(547,500)
Earnings before interest, taxes, depreciation, amortization (EBITDA)		**(7,722,162)**	**4,013,696**
Provision for onerous contracts	19	5,944,626	(5,783,739)
Amortization/depreciation non-current assets		0	(14,576,977)
Gain/loss on sale of non-current asset		412,461	(341,049)
Profit/loss before financial items (EBIT)		**(1,365,075)**	**(16,688,069)**
Share of profit/loss in associated companies		10,996	18,493
Financial income		22	26,188
Financial expenses		(652,257)	(1,689,723)
Profit/loss before tax		**(2,006,314)**	**(18,333,111)**
Profit/loss for the year from discontinued operations		**(2,006,314)**	**(18,333,111)**

During 2019, all 8 LEG vessels were sold and delivered to the new owners. On this basis the LEG segment is classified as discontinued operations and the LEG segment is presented separately on the income statement as “loss for the year from discontinued operations”. As a consequence of the sale of the LEG vessels, the E3 Pool agreement with Eletson has been terminated and the E3 Pool company has been sold to Eletson in 2020. The E3 Pool is part of discontinued operations and at year end 2019 the investment in the E3 Pool had below value.

	2019 USD
Investments in associated companies	47,303
Net assets	**47,303**

Notes

Note 10. Vessels, drydock and equipment

Group

	Vessels and drydock	*Other fixtures, tools, and equipment*	*Total*
Cost			
Balance at 1/1	201,929,852	145,414	202,075,266
Additions in the year	102,660	143,982	246,642
Adjustments in the year	(9,415)	0	(9,415)
Cost at 31/12	**202,023,097**	**289,396**	**202,312,493**
Depreciation			
Balance at 1/1	17,137,326	37,660	17,174,986
Depreciation in the year	7,874,611	68,705	7,943,316
Depreciation at 31/12	**25,011,937**	**106,365**	**25,118,302**
Carrying amount at 31/12	**177,011,160**	**183,031**	**177,194,191**

The parent company holds no fixed assets. The Group has leased assets of USD 177,011,160 as of 31/12.

Note 11. Investments in group enterprises

Parent company

	Total group enterprises
Cost	
Balance at 1/1	30,347,484
Disposal during the year	(20,641,861)
Cost at 31/12	**9,705,623**
Adjustments	
Balance at 1/1	2,826,727
Write-down during the year	526,599
Disposal during the year	(3,260,391)
Write-downs at 31/12	**92,935**
Carrying amount at 31/12	**9,612,688**

Notes

Group enterprises	Domicile	Currency	Nominal Capital	Interest (%)	Equity USD	Profit/loss USD
Evergas Shipholding A/S	Denmark	USD	92,935	100	- 48,414,074	-1,927,816
Evergas Management A/S	Denmark	USD	89,484	100	1,265,871	190,257
Evergas Shipholding 18 A/S	Denmark	USD	3,247,707	100	11,113,549	1,803,155
Evergas Shipholding 19 A/S	Denmark	USD	3,312,707	100	6,172,183	1,037,982
Evergas Shipholding 20 A/S	Denmark	USD	2,899,128	100	6,365,360	1,605,756
Evergas Shipmanagement-Pte Ltd	Singapore	USD	100,000	100	402,818	148,433

Note 12. Investments in associates

Group / Parent

	Investments in associates
Cost	
Balance at 1/1	36,207
Additions	0
Cost at 31/12	**36,307**
Adjustments of investments	
Balance at 1/1	36,307
Share of profit / loss	10,996
Total adjustments at 31/12	**10,996**
Carrying amount at 31/12	**47,303**

Associates	Domicile	Currency	Nominal Capital	Interest (%)	Equity USD	Profit/loss USD
E3 Pool A/S	Denmark	USD	72,230	50	94,605	21,992

Note 13. Receivables from group enterprises

Parent

The balance of USD 6,146,566 is falling due at 31 December 2021.

Note 14. Other financial asset

The 2019 balance of USD 2,633,620 (2018: USD 2,973,542) represent liquidated damage costs which is amortized over the life of the underlying contract.

Notes

	Group		Parent company	
	2019 USD	2018 USD	2019 USD	2018 USD
Note 15. Prepayments				
Prepaid insurance	530,144	598,233	0	994
Other prepayments	194,581	520,794	0	0
	724,725	1,119,027	0	994

Note 16. Share capital

	2019
Analysis of the Company's share capital, USD 48,523,306:	
273,431,061 shares of DKK 1	48,523,306

Apart from the incorporation, there have been a capital increase from debt conversion in October 2010 of DKK 198,375,000, and a capital increase from debt conversion in July 2015 of DKK 74,556,061

Note 17. Long/short-term liabilities

Group

Due to the sale of the LEG vessels and refinancing of loans of related companies, Evergas Group is no longer in cross-default and the reclassification of long-term loans to short term loans as in previous years is no longer necessary.

Breakdown of certain liabilities by long-term and short-term liabilities:

	Falling due after 5 years	Falling due between 1 and 5 years	Total long-term liabilities at 31/12	Falling due within 1 year	Total
Bank debt	95,951,335	45,905,687	141,857,022	9,073,057	150,930,079
Payables to group enterprise	0	28,178,587	28,178,587	46,303,393	74,481,980
	95,951,335	74,084,274	170,035,609	55,376,450	225,412,059

Parent company

Breakdown of certain liabilities by long-term and short-term liabilities:

	Falling due between 1 and 5 years	Total long-term liabilities at 31/12	Falling due within 1 year	Total
Payables to group enterprise	30,958,737	30,958,737	5,532,285	36,491,022
	30,958,737	30,958,737	5,532,285	36,491,022

Notes

Note 18. Provisions

	Group		Parent company	
	2019 USD	2018 USD	2019 USD	2018 USD
Provisions at 1/1	5,944,627	329,097	0	0
Provision/(utilization) for the year	(5,944,627)	5,615,530	0	0
Other provisions at 31/12	0	5,944,627	0	0

As the LEG vessels have been sold in 2019, the provision for onerous contracts has been utilized in 2019 as part of discontinued operations. See note 9.

Note 19. Deferred income

Deferred income includes prepaid hire from customers covering periods after 31 December 2019.

Note 20. Security for loans

The vessels have been leased under long-term bareboat charters effective upon delivery. All shares in Evergas Shipholding 18 A/S, Evergas Shipholding 19 A/S, Evergas Shipholding 20 A/S are pledged as security for bank loans.

Note 21. Contingent liabilities and other financial obligations

	2019 USD'000	2018 USD'000
Rent payments	726	870
Payments under other operating leases	213	307
Time charter hire payments (including amounts provided for onerous contracts)	0	17,280
Payments regarding Technical Management agreements	899	1,437
	1,838	19,893

As at 31 December 2019, Evergas Group has no tax liability that is not included in the financial statements.

As at 31 December 2019, there are no contingent liabilities for the parent company

Note 22. Fees to the auditors appointed by the General Meeting

	Group		Parent company	
	2019 USD	2018 USD	2019 USD	2018 USD
Fee for statutory audit Deloitte	89,063	74,839	55,770	22,699
Fee for other services	1,458	16,226	1,458	16,226
	90,521	91,065	57,228	38,925

Notes

Note 23. Related parties

Greenship Gas Trust holds of the entire share capital of the entity.

The Company is included in the consolidated financial statements of the largest and smallest group:

Jaccar Holding SAS, 148 rue Sainte, F-13007 Marseille

Greenship Gas Trust, 21 Ubi Road 1, #06-01, Singapore 408724

Related party transactions

	2019 USD	2018 USD
Group		
Interest expenses	1,058,639	1,039,969
Receivables from group enterprises	53,199,738	25,431,339
Payables to group enterprises	74,481,980	57,044,279
Parent company		
Management fee (expense)	20,000	45,786
Interest income	780,164	1,005,788
Interest expenses	1,220,893	1,230,777
Receivables from group enterprises	50,112,301	30,223,970
Payables to group enterprises	36,491,022	35,065,165

No transactions with the Executive Board and the Board of Directors have not been made on arm's length basis.

Note 24. Non-cash items, etc., cash flow statement

	2019 USD	2018 USD
Depreciation and write-downs	7,943,316	22,470,967
Gain/(loss) sale of non-current assets	(412,461)	341,049
Changes in other non-current assets	339,922	339,922
Changes in other non-current liabilities	212,393)	(98,144)
Financial income	(14,149)	(9,952)
Financial expenses	12,917,424	13,844,640
Provision/(utilization) of onerous contracts	(5,959,088)	5,560,085
Share of result in E3 Pool A/S	(10,996)	31,507
Tax for the year	21,857	5,971
Total non-cash items	15,038,218	42,486,045

Notes

Note 25. Changes in working capital, cash flow statement

	2019 USD	2018 USD
Changes in receivables	(18,198,338)	(11,385,859)
Changes in inventories	2,605,801	(82,730)
Changes in trade payables	(3,311,692)	1,967,261
Changes in other payables	(3,910,905)	(5,316,828)
Total changes in working capital	(22,815,134)	(14,818,156)

	Group		Parent company	
	2019 USD	2018 USD	2019 USD	2018 USD
Note 26. Appropriation of profit/loss				
Profit/loss to be appropriated:				
Minority interest	0	150,738	0	0
Net profit/(loss) for the year	2,207,334	(16,178,598)	4,162,413	(8,303,592)
Total appropriation for the year	**(2,207,334)**	**(16,027,860)**	**4,162,413**	**(8,303,592)**