



Evergas Shipholding 19 A/S

Kalvebod Brygge 39-41

DK – 1560 Copenhagen

CVR No. 36 19 76 84

Annual report

for the year ended 31 December 2015
(12 months)
2nd financial year

Approved at the annual general meeting of shareholders
on 31/5 2016


.....
Chairman

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Company details

Evergas Shipholding 19 A/S
Kalvebod Brygge 39-41
DK – 1560 Copenhagen
CVR No. 36 19 76 84
www.evergas.net

Supervisory board

Jacques Marie Joseph Narcisse d'Armand de Chateauvieux (chairman)
Philippe René Georges Rochet
Steffen Jacobsen

Executive board

Steffen Jacobsen

Shareholders holding 5% or more of the share capital or the voting rights

Evergas A/S
Kalvebod Brygge 39-41
DK - 1560 Copenhagen
CVR no. 33 24 15 85

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
DK – 2000 Frederiksberg

Bankers

Nordea Bank ASA

Statement by management on the annual report

Today, management has discussed and approved the annual report of Evergas Shipholding 19 A/S for the financial year 1 January – 31 December 2015.

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 2015 and of the results of the company's operation.

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, 31 May 2016

Executive board:



Steffen Jacobsen

Supervisory board:

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

.....
Philippe René Georges Rochet


.....
Steffen Jacobsen

Independent auditors' report

To the shareholders of Evergas Shipholding 19 A/S Independent auditors' report on the financial statements

We have audited the financial statements of Evergas Shipholding 19 A/S for the financial year 1 January – 31 December 2015, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statement

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

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditor's report – continued

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 31 May 2016

Ernst & Young

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Jens Thordahl Nøhr
State Authorised Public Accountant



Peter Andersen
State Authorised Public Accountant

Management's review

Business activities and mission

The objectives of the company are to carry on shipping business or other activities at home and abroad, which are in connection with shipping business as well as other transportation business and investment in companies of mentioned nature and in real estate and any other business activities, which in the opinion of the board of directors are related hereto.

The Company's functional currency and presentation currency is USD.

Business review

The Company's result for 2015 is a loss of USD 60,116 and the Company's balance sheet at 31 December 2015 shows an equity of USD 3,242,567.

Uncertainty relating to recognition and measurement

Recognition and measurement in the annual report have not been subject to any significant uncertainty.

Unusual circumstances

There has not been any unusual circumstances in the financial year.

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 Shipholding 19 A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

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.

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. The exchange rate between USD/DKK per 31 December 2015 was 6.83 against 6.12 per 31 December 2014.

Income statement

Revenue

All voyage revenues are recognized based on the percentage of completion. The Company uses a discharge-to-discharge basis in determining percentage of completion for all voyages.

Other external expenses

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

Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items Revenue through other external expenses are consolidated into one line item designated Gross margin.

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, realized and unrealized capital and exchange gains and losses on securities and foreign currency transactions, 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 incl. Tonnage Tax Scheme and the year's deferred tax adjustments.

Current and deferred taxes related to items recognized directly in equity are taken directly to equity.

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

Accounting policies - continued

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.

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 minimum, a surcharge according to the management company.

Balance sheet

Vessel under construction

Vessel under construction comprise expenditures that are directly attributable to the acquisition of the vessel.

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.

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 year's taxable income and 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.

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.

Other payables

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

Income statement

1 January – 31 December 2015

| | | 2015 12 mth USD | 2014 4 mth USD |
|--|---|------------------------|------------------------|
| Gross margin | | (3,231) | 0 |
| Amortisation/depreciation and impairment of intangible assets and property, plant and equipment | | <u>0</u> | <u>0</u> |
| Profit before net financials | | (3,231) | 0 |
| Other financial income | | 686 | 0 |
| Other financial expenses | 3 | <u>(57,571)</u> | <u>(10,024)</u> |
| Loss before tax | | (60,116) | (10,024) |
| Tax for the year | 2 | <u>0</u> | <u>0</u> |
| Net loss for the year | | <u>(60,116)</u> | <u>(10,024)</u> |

Which the supervisory board recommends is carried forward to next year.

Appropriation of profit/loss

Loss to be appropriated:

| | | | |
|------------------------------------|--|-----------------|-----------------|
| Retained earnings/Accumulated loss | | (10,024) | 0 |
| Net loss for the year | | <u>(60,116)</u> | <u>(10,024)</u> |
| Available for appropriation | | <u>(70,140)</u> | <u>(10,024)</u> |

The supervisory board recommends the following appropriation of the loss:

| | | | |
|------------------------------------|--|-----------------|-----------------|
| Retained earnings/Accumulated loss | | <u>(70,140)</u> | <u>(10,024)</u> |
| Total appropriation | | <u>(70,140)</u> | <u>(10,024)</u> |

Balance sheet
at 31 December

| | Notes | 2015 USD | 2014 USD |
|--------------------------------------|----------|--------------------------|-------------------------|
| Assets | | | |
| Fixed assets | | | |
| Vessel under construction | | <u>16,790,822</u> | <u>3,281,817</u> |
| Property, plant and equipment | 4 | <u>16,790,822</u> | <u>3,281,817</u> |
| Total fixed assets | | <u>16,790,822</u> | <u>3,281,817</u> |
| Current assets | | | |
| Receivables from group enterprises | | 0 | 18,021 |
| Other receivables | | 205,683 | 5,055 |
| Prepayments | | <u>292,773</u> | <u>22,182</u> |
| Receivables | | <u>498,456</u> | <u>45,258</u> |
| Cash and cash equivalents | | <u>300</u> | <u>6,861</u> |
| Total current assets | | <u>498,756</u> | <u>52,119</u> |
| Total assets | | <u>17,289,578</u> | <u>3,333,936</u> |

Balance sheet
at 31 December

| | Notes | 2015 USD | 2014 USD |
|--|-------|--------------------------|-------------------------|
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | | 3,312,707 | 86,957 |
| Retained earnings/Accumulated loss | | <u>(70,140)</u> | <u>(10,024)</u> |
| Total equity | | <u>3,242,567</u> | <u>76,933</u> |
| Liabilities | | | |
| Bank debt | 5 | 12,063,379 | 0 |
| Payables to group enterprises | 5 | <u>1,289,021</u> | <u>3,231,035</u> |
| Long-term liabilities | | <u>13,352,400</u> | <u>3,231,035</u> |
| Trade payables | | 0 | 25,968 |
| Other payables | | <u>694,611</u> | <u>0</u> |
| Short-term liabilities | | <u>694,611</u> | <u>25,968</u> |
| Total liabilities | | <u>14,047,011</u> | <u>3,257,003</u> |
| Total equity and liabilities | | <u>17,289,578</u> | <u>3,333,936</u> |
| Contingents assets and liabilities and other financial obligations | 6 | | |
| Related parties | 7 | | |

Statement of changes in equity

| | 2015 USD | 2014 USD |
|---|-------------------------|------------------------|
| Share capital | | |
| Balance at 1/1 | 86,957 | 86,957 |
| Capital increase | <u>3,225,750</u> | <u>0</u> |
| | <u>3,312,707</u> | <u>86,957</u> |
| Retained earnings/Accumulated loss | | |
| Balance at 1/1 | (10,024) | 0 |
| Transfer in the year | <u>(60,116)</u> | <u>(10,024)</u> |
| | <u>(70,140)</u> | <u>(10,024)</u> |
| Equity at 31/12 | <u>3,242,567</u> | <u>76,933</u> |

The company's share capital, USD 3,312,707 nominal amount of DKK 22,502,841 consist of 22,502,841 shares of DKK 1.

Share capital paid at the Company's inception September 16, 2014 was USD 86,957 nominal amount of DKK 500,000.

On 27 July 2015 on a Board of Directors meeting of the company, there was passed a resolution to convert USD 3,225,750 due to immediate holding company into new shares nominal amount of DKK 22,002,841.

Notes

Note 1. Going concern

The parent company, Evergas A/S has undertaken to provide continuing financial support to Evergas Shipholding 19 A/S during 2016, to enable the company to pay its creditors as they fall due.

Note 2. Tax for the year

As the company is under the Danish Tonnage tax regime the expected taxable income in the future is low, and therefore deferred asset calculated at the negative result is not recognized.

Note 3. Other financial expenses

| | 2015 12 mth USD | 2014 4 mth USD |
|------------------------------------|-----------------------|----------------------|
| Interest payable, group enterprise | 44,432 | 5,285 |
| Exchange losses | 12,999 | 3,397 |
| Other financial expenses | <u>140</u> | <u>1,342</u> |
| | <u>57,571</u> | <u>10,024</u> |

Note 4. Property, plant and equipment

| | Vessel under construction USD |
|--|--|
| Cost | |
| Balance at 1/1 | 3,281,817 |
| Additions in the year | 13,509,005 |
| Disposals in the year | <u>0</u> |
| Cost at 31/12 | <u>16,790,822</u> |
| Depreciation and write-downs | |
| Balance at 1/1 | 0 |
| Depreciation in the year | <u>0</u> |
| Depreciation and write-downs at 31/12 | <u>0</u> |
| Carrying amount at 31/12 2015 | <u>16,790,822</u> |

Vessel under construction is held under a finance lease.

Note 5. Long-term liabilities

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

| | <u>Falling due between 1 and 5 years</u> | <u>Falling due after more than 5 years</u> | <u>Total long-term liabilities at 31/12 2015</u> | <u>Falling due within 1 year</u> | <u>Total</u> |
|-----------------------------|--|--|--|--------------------------------------|-------------------|
| Bank debt | 12,624,649 | (561,270) | 12,063,379 | 0 | 12,063,379 |
| Payable to group enterprise | <u>1,289,021</u> | <u>0</u> | <u>1,289,021</u> | <u>0</u> | <u>1,289,021</u> |
| | <u>13,913,670</u> | <u>(561,270)</u> | <u>13,352,400</u> | <u>0</u> | <u>13,352,400</u> |

Note 6. Contingent assets and liabilities and other financial obligations

The company is jointly taxed with its parent, Evergas A/S, which acts as management company, and 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.

Note 7. Related parties

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

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