

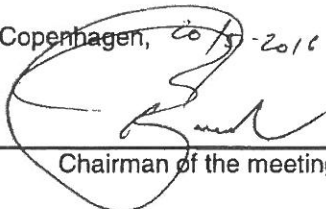
ERRV ApS

Annual report 2015

CVR no: 36 94 12 27

The Annual Report was presented and
adopted at the Annual General Meeting

Copenhagen, *20/5*-2016



Chairman of the meeting

ERRV ApS
Østergade 1, 2nd floor
1100 Copenhagen K
Denmark

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MANAGEMENT'S STATEMENT

The Executive Board have today considered and adopted the Annual Report of ERRV ApS for the financial year 29 June – 31 December 2015.

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 financial position at 31 December 2015 of the Group and the Company and of the results of the Group and Company's operations and cash flows for the financial year 29 June 2015 - 31 December 2015.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Company, of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 28th April 2016

Executive Board



Simon R. C. Ellis



Scott B. M. Moseley



Henrik Hvind-Karlsen



Zion Oved

INDEPENDENT AUDITOR'S REPORT

To the shareholder of ERRV ApS

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of ERRV ApS for the financial year 29 June to 31 December 2015, which comprise accounting policies, income statement, balance sheet and statement of changes in equity and notes for both the Group and the Parent Company and cash flow statement for the Group. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2015 and of the results of the Group and Parent Company's operations as well as the Group's cash flows for the financial year 29 June - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Copenhagen, 29th April 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR number 33771231



Thomas Wraae Holm
State Authorised Public Accountant



Martin Lunden
State Authorised Public Accountant

COMPANY INFORMATION

Company

ERRV ApS
Østergade 1, 2nd floor
DK-1100 Copenhagen K

Company no.	36 94 12 27
Established	29th June 2015
Accounting period	1 January to 31 December

Executive Board

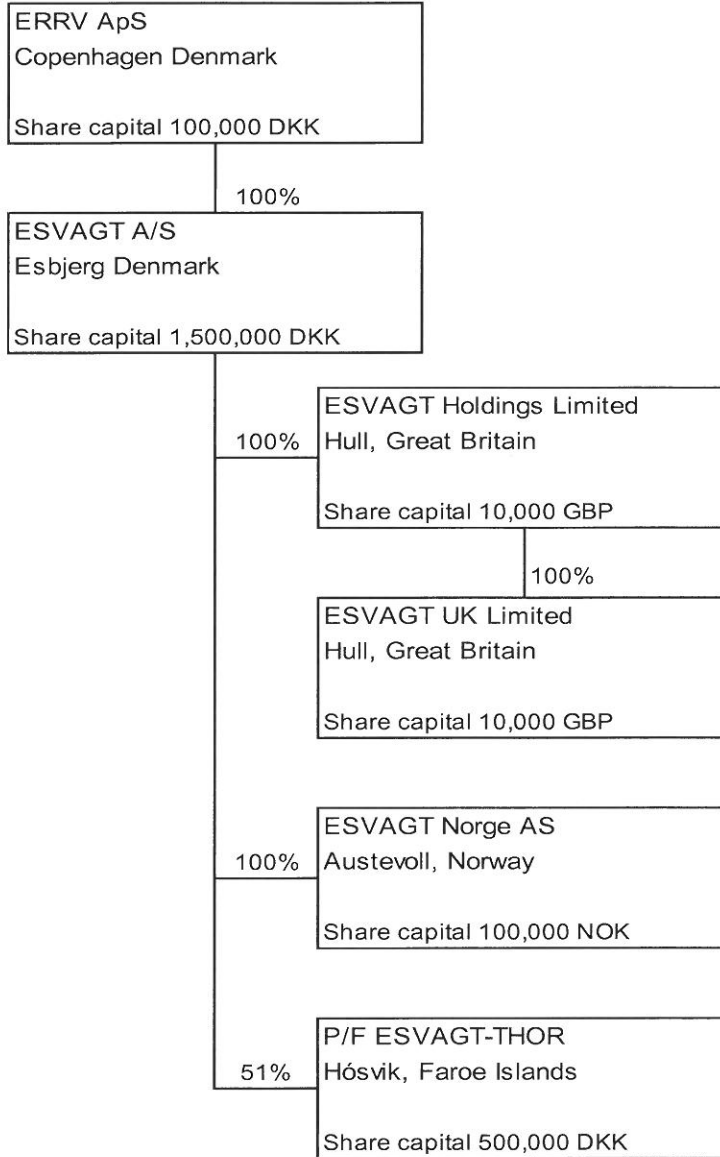
Simon R. C. Ellis
Scott B. M. Moseley
Henrik Hvidt-Karlsson
Zion Oved

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

GROUP STRUCTURE

Consolidated companies



FINANCIAL HIGHLIGHTS

For the consolidated Group

Amounts in DKK'000	2015
Revenue	285.219
Profit before financial items	46.182
Financial items, net	-67.032
Result for the year	-21.067
Total assets	4.363.905
Investments in intangible and tangible assets	-60.239
Equity	225.219
Profit margin	16,2
Equity ratio	
Return on equity	-29,8

The key figures are calculated in accordance with recommendations and guidelines from the Danish Financial Analyst Society.

The keyfigures are calculated as follows:

$$\text{Profit margin} = \frac{\text{Result before financial items} \times 100}{\text{Net turnover}}$$

$$\text{Equity ratio} = \frac{\text{Equity} \times 100}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Profit for the year} \times 100}{\text{Average equity}}$$

Return on equity in 2015 is calculated for the period 17 September - 31 December 2015 following capital increase of DKK 266.7 m and the acquisition of ESVAGT A/S.

MANAGEMENT'S REVIEW

Activities

The Group's primary activity is to deliver safety and support at sea, which it provides through emergency response and rescue (ERR) services for operators of off shore oil and gas installations and service vessel activities for off shore wind farms.

Incorporation

ERRV ApS was incorporated on 29 June 2015 with 3i Infrastructure plc and AMP Capital as its ultimate owners.

On 17 September 2015 ERRV ApS acquired the ESVAGT Group from the A.P. Moller-Maersk Group and ESE Holding.

Activity 2015

Result for the year

The loss for the period 29 June - 31 December 2015 is DKK -21.1 m, including the result of the acquired ESVAGT business for the period 17 September - 31 December 2015.

The management considers the loss for the period as acceptable given the short period of ownership of the ESVAGT Group and the change in market conditions during 2015.

Market and activities

The Group's primary market within the oil and gas industry is the North Sea. The Group increased its presence within service vessel activities for the off shore wind industry.

The Group has established a sales office in Aberdeen, UK, to intensify the market presence in the UK sector.

Investments

The Group's new building programme comprises three vessels, of which two service operating vessels (SOV) will be delivered in Q3 2016 and Q3 2017 respectively. Both SOVs are contracted for long term contracts. Further, the Group has invested in a new crew change vessel (CCV) to replace its current CCVs, with delivery scheduled for Q2 2017.

Equity

On 31 December 2015 the equity is DKK 225.2m with an equity ratio of 5.2%.

Expectations for 2016

For 2016 the Group expects its activity within the oil and gas industry to continue at the level seen in September to December 2015, due to the general market conditions caused by lower oil prices. On the Group's net profit for 2016 this is expected to be offset by delivery of contracted new vessels.

Subsequent events

No events have occurred after 31 December 2015 which may significantly affect the financial year 2015.

Risks

The Group is, in the opinion of the Management, not exposed to commercial, operational or financial risks beyond what is common and natural for its business and the industry in which it operates.

In accordance with its strategy the Group constantly strives towards a reasonable balance between long term and short term contracts for its fleet.

Development activities

The Group held expenses of DKK 1.3m related to development of Fast Rescue Boats and Safe Transfer Boats.

MANAGEMENT'S REVIEW

Knowledge and employees

It is essential for the Group's operating companies to employ people who contribute to delivering services of highest quality and highest level of safety standard. Further, it is important to be an attractive employer and workplace for current and future employees.

To achieve this, the Group's employees undergo continuous training and education and the company has constant focus on the safety and health of the employees. For this purpose, the subsidiary ESVAGT has its own HSEQ-function (Health Safety Environment Quality).

In accordance with the objective of the company to provide performance of highest quality, the subsidiary ESVAGT is certified according to ISO 9001-standard on quality assurance.

As part of regular business procedures ESVAGT is continuously audited by its customers by means of quality

Statutory report on gender diversity

The Group will promote diversity and create equal opportunities for everyone in order to ensure equal distribution of men and women, although it operates within an area that historically employs more men than women and always will aim for employing the most qualified candidate for any position.

The executive board in ERRV ApS currently consists of men. The target for the underrepresented gender is at least one woman in the executive board by 2020.

In the Group's operating companies future focus will be to achieve diversity by prioritizing women in the event of equally qualified candidates for any position. Therefore, for future recruitments for management positions, the Group companies will aim for having representatives from both genders represented in the selection process.

In 2015, there has been no changes at management level and hence no additional initiatives have been carried out.

Statutory report on social responsibility

Corporate social responsibility is an integral part of the way the Group's companies operate and is reflected in the operating companies core values.

The operating companies in the Group do not have a formalized overall CSR policy, however, have a number of policies providing guidance on what they stand for as a company. They govern how the companies act and engage with their customers, colleagues, suppliers and the community. These policies are applicable to all employees and described in our management system manual in the operating companies.

The Group is committed in working with all our partners to ensure that they acknowledge our values and share our commitment to conduct business in an ethical, legal and socially responsible manner. We strive to continually improve within the areas of human rights, labour standards, the environment and to work against any form of corruption.

We strongly believe that implementing a 'Code of Conduct' towards our partners and in our supply chain has created value for all parties and this is a step to establish a long-term sustainable relationship. The Code of Conduct in operating companies comply with the UN Global Compact and our respect for universally recognized normative standards such as the United Nations Universal Declaration of Human Rights and the core labour conventions of the International Labour Organization.

During 2015 the Group's operating companies continued their routinely screening and audits of suppliers in respect of our Code of Conduct. The audits did not result in any material findings other than opportunities for improvement.

MANAGEMENT'S REVIEW

Environmental improvements and being environmentally conscious are continuous focus areas for the Group companies. Both in terms of services towards customers, where oil spill recovery and response is an integrated part of the companies' primary services, but also in terms of operation where continuous environmental improvements are an integral part of the Group companies' HSEQ programme.

The subsidiary ESVAGT is certified according to ISO 14001 on environmental management.

During 2015 the subsidiary ESVAGT, among other initiatives, performed specific activities to reduce fuel consumption and smoke gas emissions on our vessels and also contracted a new crew change vessel that upon delivery in 2017 will significantly reduce our fuel consumption.

It is our belief that the initiatives that have been implemented in 2015 have made a positive impact on the environment and the surrounding societies in which the Group companies operates.

ACCOUNTING POLICIES

The financial statements for the consolidated ERRV Group and for the parent company have been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to class C (large) companies.

Following the change in ownership during 2015 ERRV ApS has chosen to prepare these Financial Statements for both the Consolidated ERRV ApS Group and for the Parent Company.

Consolidation

The consolidated financial statements comprise ERRV ApS (parent company) and subsidiaries controlled by the parent company.

Consolidation is performed by summarising the financial statements of the parent company and its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Intra-group income and expenses, shareholdings, dividends, intra-group balances and gains on intra-group transactions are eliminated. Unrealised losses are eliminated in the same way, unless they indicate impairment.

Acquisition

When businesses are acquired, the assets, liabilities and contingent liabilities of the acquired business are recognised and measured at fair value on the date of acquisition (in accordance with the acquisitions method). Any positive amount that cannot be related to assets or liabilities in the acquired business are classified under intangible assets as goodwill and amortised on a straight-line basis over a useful life of up to 20 years.

Foreign Currency Translation

Transactions in other currencies are translated to the exchange rate on the date of transaction. Monetary items in foreign currency not settled by the balance sheet date are translated to the exchange rate on the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income and expenses.

Derivatives

Derivative financial instruments are recognised on the trading date and measured at fair value using generally acknowledged valuation techniques based on relevant observable curves and exchange rates.

The effective portion of changes in the value of derivative financial instruments designated to hedge future transactions is recognised under equity until the hedged transactions are realised. At that time, the cumulated gains/losses are transferred to the items under which the hedged transactions are recognised. The effective portion of changes in the value of derivative financial instruments used to hedge the value of recognised financial assets and liabilities is recognised in the income statement together with changes in the fair value of the hedged assets or liabilities which can be attributed to the hedging relationship. The ineffective portion of hedge transactions which do not qualify for hedge accounting are recognised in the income statement as financial income or expenses for interest and currency based instruments.

INCOME STATEMENT

Revenue

Revenue is recognised on time of delivery of services and goods sold.

Other external costs

External costs comprise repair and maintenance, stores, vessel fuel, training and travel costs, marketing, administration costs, premises, cost to cover losses on trade receivables, operational lease costs etc.

Staff expenses

Staff expenses include wages and salaries and salary related costs.

Financial items

Financial items include interest income and cost and currency gains and losses.

ACCOUNTING POLICIES

Tax

Tax includes the amount expected to be paid for the year plus adjustment concerning previous years and deferred tax. The amount includes Danish and foreign taxation.

The Group's vessels activities are included in the tonnage taxation scheme.

BALANCE SHEET

Intangible fixed assets

Goodwill

Goodwill comprise any amount from the acquisition of a business that cannot be allocated to assets or liabilities in the acquired business.

Goodwill is amortised on a straight-line basis over the estimated financial useful life, which is determined based on management's judgement. The useful life of goodwill is a maximum of 20 years for strategically acquired business with a strong market position and with expected long-term financial profitability.

Development expenses

Development expenses comprise engineer costs related to specific development projects of Fast Rescue Boats and Safe Transfer Boats. Development expenses are capitalized when development projects imply a technical and/or operational advantage for the Group companies and where the financial net present value of these projects exceeds the development expenses.

Intangible fixed assets are measured at cost less of accumulated depreciation and impairment losses.

Depreciation to estimated residual value is recognised in the income statement on a straight-line basis over the useful life, which is:

Development expenses	3 years
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Tangible fixed assets

Tangible fixed assets are measured at cost less of accumulated depreciation and impairment losses.

Depreciation to estimated residual value is recognised in the income statement on a straight-line basis over the useful life, which is:

Premises on leased land	20-30 years
Vessels	up to 25 years
Docking costs	2½-5 years
Other operating equipment and fixtures etc	3-5 years

New build vessels are depreciated over 25 years. Used vessels are depreciated over a shorter period based on the vessel age upon time of purchase. Charter contract related upgrades and other improvements are depreciated over expected useful life of 3-5 years.

Expenses for docking of vessels are recognised when incurred in the carrying amount of vessels and depreciated over the period until next docking.

Borrowing costs from specific as well as general borrowing directly related to assets with a long production period are attributed to cost during the period of construction.

Lease contracts

Lease contracts related to tangible assets where the Group holds all significant risks and benefits to the underlying asset (financial lease) are recognised in the balance sheet at discounted value of the contractual lease payments.

Assets held under finance leases are treated as tangible fixed assets.

All other lease contracts are treated as operational lease. Payments related to operational leases are recognised in the income statement over the contract period.

ACCOUNTING POLICIES

Impairment of intangible and tangible assets

Estimate of useful life and residual value is regularly reassessed. Impairment losses are recognised when the carrying amount of an asset exceeds the highest of estimated value in use and fair value less the cost of disposal.

Investments in subsidiaries

Income statement

A pro rate share of the result from subsidiaries is recognised in the income statement. Internal gains and losses are eliminated.

Balance sheet

Investments in subsidiaries are measured at pro rate share of the subsidiaries' equity in accordance with the accounting policies of the parent company. Adjustments are made for unrealized group internal gains and losses and for remaining value of positive or negative goodwill.

Inventories

Inventories are measured at cost according to the FIFO method. Writedown is made to a possibly lower net realisable value.

Receivables

Receivables are generally recognised at nominal value. Provisions for bad debts are made based on specific assessment.

Prepayments

Prepayments include expenses incurred in respect of subsequent financial years, such prepaid insurance, subscriptions etc.

Equity

Dividend for distribution is recognised as a separate component of equity.

Deferred tax

Deferred tax is calculated on the basis of differences between the carrying amount and the tax base of assets and liabilities.

Provisions

Provisions are recognised when the Group has a current legal or constructive obligation. Provisions are recognised on the basis of specific estimates.

Financial liabilities

Financial liabilities are initially recognised at the proceeds received. Any premium or discount is amortised over the term of the liabilities.

Received prepayments

Received prepayments comprises income related to subsequent periods.

Cash flow statement

Cash flow for the year is divided into cash flow from operating activities, cash flow used for investing activities and cash flow from financing activities. Cash and cash equivalents comprise cash and bank balances.

Segmental specifications

Segmental specifications are given for the Group's revenue on its primary markets.

INCOME STATEMENT

(DKK'000)	Note	Group	Parent company
		29/6-31/12 2015	29/6-31/12 2015
Revenue	1	285.219	0
Other external costs		-59.164	0
		<u>226.055</u>	<u>0</u>
Staff expenses	2	-99.116	0
Profit before depreciations and amortisations		126.939	0
Depreciations and amortisations	4	-80.757	0
Profit before financial items		46.182	0
Income from subsidiaries	5	0	38.738
Financial income	3	11.986	0
Financial expenses	3	-79.018	-59.805
Result before tax		-20.850	-21.067
Tax	7	-204	0
Result before minority shareholders		-21.054	-21.067
Minority shareholders share of net result		-13	0
Result for the year		-21.067	-21.067

DISTRIBUTION OF RESULT FOR THE YEAR

Proposed distribution of result for the year

Retained earnings	-21.067	-21.067
TOTAL DISTRIBUTION	-21.067	-21.067

BALANCE SHEET

		<u>Group</u>	<u>Parent company</u>
(DKK'000)	Note	31/12 2015	31/12 2015
ASSETS			
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
	4		
Goodwill		493.502	0
Development expenses		1.071	0
		<u>494.573</u>	<u>0</u>
TANGIBLE FIXED ASSETS			
	5		
Vessels		3.370.192	0
Other operating equipment and fixtures etc.		4.313	0
Buildings on leased land		55.602	0
Prepayments for tangible assets		137.871	0
		<u>3.567.978</u>	<u>0</u>
FIXED ASSET INVESTMENTS			
Investment in subsidiaries	6	0	2.209.514
		<u>0</u>	<u>2.209.514</u>
TOTAL NON-CURRENT ASSETS		<u>4.062.551</u>	<u>2.209.514</u>
CURRENT ASSETS			
INVENTORIES			
Bunkers and other consumables		7.422	0
		<u>7.422</u>	<u>0</u>
RECEIVABLES			
Trade receivables		120.596	0
Corporation tax, receivable	7	5.472	0
Other receivables		11.572	0
Prepayments		7.146	0
		<u>144.786</u>	<u>0</u>
Cash and bank balances		<u>149.146</u>	<u>186</u>
TOTAL CURRENT ASSETS		<u>301.354</u>	<u>186</u>
TOTAL ASSETS		<u>4.363.905</u>	<u>2.209.700</u>

BALANCE SHEET

		<u>Group</u>	<u>Parent company</u>
(DKK'000)	Note	31/12 2015	31/12 2015
EQUITY AND LIABILITIES			
EQUITY			
Share capital		100	100
Retained earnings		<u>225.119</u>	<u>225.119</u>
		<u>225.219</u>	<u>225.219</u>
Minority shareholders		<u>635</u>	<u>0</u>
PROVISIONS			
Deferred tax	7	<u>93</u>	<u>0</u>
NON-CURRENT LIABILITIES			
Bank and other credit institutions	8	1.982.539	0
Financial lease debt	8	15.238	0
Derivatives, non-current		<u>16.026</u>	<u>0</u>
		<u>2.013.803</u>	<u>0</u>
CURRENT LIABILITIES			
Short term part of non-current debt	8	4.382	0
Received prepayments		13.599	0
Trade payables		50.259	0
Payables to group companies		156	156
Interest bearing payables to associated companies		1.925.249	1.984.325
Corporation tax, payable	7	58	0
Derivatives, current		4.325	0
Other payables		<u>126.127</u>	<u>0</u>
		<u>2.124.155</u>	<u>1.984.481</u>
TOTAL LIABILITIES		<u>4.137.958</u>	<u>1.984.481</u>
TOTAL EQUITY AND LIABILITIES		<u>4.363.905</u>	<u>2.209.700</u>
Other financial commitments	9		
Hedging	10		
Auditor's fees	11		
Related parties	12		

CASH FLOW STATEMENT

(DKK'000)	Note	<u>Group</u>
		29/6-31/12 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before depreciations and amortisations		126.939
Change in working capital	13	90.460
Net financial expenses paid		-62.167
Taxes paid/received		-174
		<u>155.058</u>
CASH FLOW USED FOR INVESTING ACTIVITIES		
Business acquisition		-4.147.858
Investments in intangible and tangible fixed assets		-60.239
Change in payables related to investing activities		11.551
		<u>-4.196.546</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings		2.000.000
Proceeds from short term borrowings		1.925.249
Repayment of financial lease debt		-1.424
Paid in share capital during the year		266.809
		<u>4.190.634</u>
NET CASH FLOW FOR THE YEAR		149.146
Cash and cash equivalents 29 June 2015		0
CASH AND CASH EQUIVALENTS 31 DECEMBER		<u><u>149.146</u></u>

Information in the cash flow statement can not directly be calculated from the profit & loss, balance sheet and notes.

STATEMENT OF CHANGES IN EQUITY

(DKK'000)

Group	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
2015			
Equity 29 June 2015	50	0	50
Capital increase 17 September 2015	50	266.709	266.759
Cash flow hedges	0	-20.351	-20.351
Exchange rate adjustments of subsidiaries	0	-172	-172
Profit for the year	0	-21.067	-21.067
Equity 31 December 2015	<u>100</u>	<u>225.119</u>	<u>225.219</u>

Parent company	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
2015			
Equity 29 June 2015	50	0	50
Capital increase 17 September 2015	50	266.709	266.759
Equity movements in subsidiaries	0	-20.351	-20.351
Exchange rate adjustments of subsidiaries	0	-172	-172
Profit for the year	0	-21.067	-21.067
Equity 31 December 2015	<u>100</u>	<u>225.119</u>	<u>225.219</u>

	<u>2015</u>
The share capital is divided into:	
100,000 shares	<u>100</u>

NOTES

(DKK'000)	<u>Group</u>	<u>Parent</u>
	<u>2015</u>	<u>company</u>
		<u>2015</u>
1 REVENUE		
Vessel related activities in the North Sea	283.591	0
Other activities	<u>1.628</u>	<u>0</u>
	<u>285.219</u>	<u>0</u>
2 STAFF EXPENSES		
The staff costs are specified as follows:		
Salaries and remunerations	89.506	0
Pension costs	4.837	0
Other social security contributions	<u>4.773</u>	<u>0</u>
	<u>99.116</u>	<u>0</u>
Salary and remuneration to Management and Board of Directors	<u>0</u>	<u>0</u>
Average number of employees	<u>902</u>	<u>0</u>
3 FINANCIAL ITEMS		
Financial income:		
Exchange rate gains and currency adjustments	<u>11.986</u>	<u>0</u>
	<u>11.986</u>	<u>0</u>
Financial expenses:		
Interest costs and other financial costs	<u>-79.018</u>	<u>-59.805</u>
	<u>-79.018</u>	<u>-59.805</u>

NOTES

(DKK'000)

4 INTANGIBLE FIXED ASSETS

	<u>Group</u>	
	<u>Goodwill</u>	<u>Development expenses</u>
Cost as of 29 June 2015	0	0
Addition from business acquisition	500.699	0
Addition during the year	<u>0</u>	<u>1.331</u>
Cost as of 31 December 2015	<u>500.699</u>	<u>1.331</u>
Depreciation as of 29 June 2015	0	0
Depreciation for the year	<u>7.197</u>	<u>260</u>
Depreciation as of 31 December 2015	<u>7.197</u>	<u>260</u>
Carrying amount as of 31 December 2015	<u>493.502</u>	<u>1.071</u>

5 TANGIBLE FIXED ASSETS

	<u>Group</u>			
	<u>Vessels</u>	<u>Other operating equipment and fixtures etc</u>	<u>Buildings on leased land</u>	<u>Pre-payments</u>
Cost as of 29 June 2015				
Addition from business acquisition	3.393.689	4.903	37.246	146.532
Addition during the year	0	265	0	58.643
Transfer	<u>48.570</u>	<u>0</u>	<u>18.734</u>	<u>-67.304</u>
Cost as of 31 December 2015	<u>3.442.259</u>	<u>5.168</u>	<u>55.980</u>	<u>137.871</u>
Depreciation as of 29 June 2015	0	0	0	0
Depreciation for the year	<u>72.067</u>	<u>855</u>	<u>378</u>	<u>0</u>
Depreciation as of 31 December 2015	<u>72.067</u>	<u>855</u>	<u>378</u>	<u>0</u>
Carrying amount as of 31 December 2015	<u>3.370.192</u>	<u>4.313</u>	<u>55.602</u>	<u>137.871</u>
Of which leased	<u>19.298</u>	<u>0</u>	<u>0</u>	<u>0</u>

Carrying amount of amortised borrowing costs included in tangible fixed assets is DKK 1,594t.

NOTES

(DKK'000)

6 FIXED ASSET INVESTMENTS	<u>Parent company</u> Investment in subsidiaries
Cost as of 29 June 2015	0
Addition during the year	<u>2.490.908</u>
Cost as of 31 December 2015	<u>2.490.908</u>
Net adjustment as of 29 June 2015	0
Dividends received during the year	-299.609
Share in subsidiaries' net result for the year	38.738
Equity movements related to hedging	-20.351
Exchange rate adjustments	<u>-172</u>
Net adjustment as of 31 December 2015	<u>-281.394</u>
Carrying amount as of 31 December 2015	<u><u>2.209.514</u></u>
Investments in subsidiaries comprise:	
ESVAGT A/S, Denmark (100%)	
ESVAGT Holdings Limited, Great Britain (100%)	
ESVAGT UK Limited, Great Britain (100%)	
ESVAGT Norge AS, Norway (100%)	
P/F ESVAGT - THOR, Faroe Islands (51%)	

7 TAX

Group	Tax in Income Statement	Corporation Tax, receivable	Deferred tax provision	Corporation Tax, payable
29 June 2015		0	0	0
Addition from business acquisition		5.490	-95	-46
Tax paid	0	174	0	0
Currency adjustments	0	0	2	0
Tax for 2015, through income statement	<u>-204</u>	<u>-192</u>	<u>0</u>	<u>-12</u>
31 December 2015	<u><u>-204</u></u>	<u><u>5.472</u></u>	<u><u>-93</u></u>	<u><u>-58</u></u>
Parent company	Tax in Income Statement	Corporation Tax, receivable	Deferred tax provision	Corporation Tax, payable
29 June 2015				
Tax for 2015, through income statement	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
31 December 2015	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

The Group's activities are primarily subject to taxation under the Danish Tonnage Tax Legislation. Tax may materialize if the Company leaves the tonnage tax regime.

Deferred tax relates to tangible fixed assets not covered by tonnage taxation activities.

ERRV ApS is part of national joint taxation in Denmark with ERRV Holding ApS and is jointly liable with other Danish companies owned by ERRV Holding ApS.

Due to the activities under the Danish Tonnage Tax Legislation both the Group's Danish Subsidiary, ESVAGT A/S, and the parent company face full deduction cuts of financing expenses in their taxable incomes in 2015. Therefore, no income tax losses transferable to later years arise, and consequently no tax asset is recognised.

NOTES

(DKK'000)

8 BANK AND OTHER CREDIT INSTITUTIONS

	<u>Group</u>	<u>Parent</u>
	2015	company
	2015	2015
Bank and other credit institutions		
Due within 1 year	0	0
Due within 2-5 years	1.982.539	0
Due after 5 years	0	0
	<u>1.982.539</u>	<u>0</u>
Financial lease debt		
Due within 1 year	4.382	0
Due within 2-5 years	15.238	0
Due after 5 years	0	0
	<u>19.620</u>	<u>0</u>

9 OTHER FINANCIAL COMMITMENTS

	<u>Group</u>	<u>Parent</u>
	2015	company
	2015	2015
Bank loans secured in vessels		
Bank and other credit institutions - amount secured	2.000.000	0
Carrying amount of vessels provided as security	2.712.318	0
Lease commitments		
Lease of land	239	0
Operational lease of cars etc	1.301	0

Lease commitments for lease of land has a contractual duration of up to 30 years. The Group can terminate the contracts with a 6 months notice, which is reflected in the above commitment of DKK 239t.

10 HEDGING

The Group enters into exchange rate contracts in order for hedging of revenue and vessels under construction, and into interest rate contracts to cover part of the company's long term financing of tangible assets.

The market value of exchange rate and interest rate contracts for hedging of future cash flows is as follows:

	<u>Group</u>	<u>Parent</u>
	2015	company
	2015	2015
Financial fixed asset - gain on contracts above 1 year	0	0
Liabilities, non-current - loss on contracts above 1 year	-16.026	0
Liabilities, current - loss on contracts less than 1 year	-4.325	0
	<u>-20.351</u>	<u>0</u>

Hedging contracts cover 90% of the Group's interest risk on loans with bank and other credit institutions on 31 December 2015.

11 AUDITOR'S FEES

	<u>Group</u>
	2015
Fees paid to the auditor appointed by the General Assembly, PriceWaterhouseCoopers	
Statutory audit	353
Other assurance services	150
Tax and VAT services	264
Other services	0
	<u>767</u>

NOTES

12 RELATED PARTIES

Shareholders, with more than 5% ownership according to the Danish Companies Act provision 55 :
ERRV Holding Aps, Østergade 1, 2nd floor, 1100 Copenhagen, Denmark.

The ultimate parent company is ERRV Luxembourg Holdings S.à.r.l., Luxembourg.

The Company is included in the consolidated accounts for :
ERRV Holding ApS, Østergade 1, 2nd floor, 1100 Copenhagen, Denmark

13 CASH FLOW STATEMENT - CHANGE IN WORKING CAPITAL

	<u>Group</u>
	<u>2015</u>
Change in inventories	-1.369
Change in trade receivables and group trade receivables	21.224
Change in other receivables and prepayments	-3.474
Change in received prepayments	13.599
Change in trade payables, excl. payables related to fixed assets	1.163
Change in payables to group companies	156
Change in other payables	59.161
Exchange gains and losses on working capital	0
	<u>90.460</u>

Change in working capital includes movements from the 17 September 2015 balance in the acquired business.