



ESE 2014 K/S

Kalvebod Brygge 39-41

DK 1560 Copenhagen

Cvr.no. 32 35 87 72


Annual report

for the year ended 31 December 2016

(12 months)

^{8th} financial year

Approved at the annual general meeting of shareholders,
on 30 June 2017


.....
Pia Lindberg

Contents

Company details	3
Statement by management on the annual report	4
Independent auditors' report	5
Opinion	5
Management's review	7
Accounting policies	8
Accounting policies - continued	9
Income statement	10
Balance sheet	11
Statement of changes in equity	12
Notes	13

Company details

ESE 2014 K/S
Kalvebod Brygge 39-41
DK – 1560 Copenhagen
www.evergas.net

Board of Directors

Jaques Marie Joseph Narcisse d'Armand de Charteauvieux, chairman
Philippe René Georges Rochet
Steffen Jacobsen

Executive board

Steffen Jacobsen

General Partner

ESE A/S
CVR No. 32 35 76 44

Limited Partners

ESE A/S
CVR No. 32 35 76 44

Auditors

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

Bankers

Nordea Bank A/S

Statement by management on the annual report

Today, management has discussed and approved the annual report of ESE 2014 K/S for the financial year 1 January - 31 December 2016.

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 2016 and of the results of the company's operations for the financial year 1 January – 31 December 2016.

Further, 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, 30 June 2017

Executive board:

.....
Steffen Jacobsen

Board of Directors:

.....
Jaques Marie Joseph Narcisse
d'Armand de Charteauvieux
(chairman)

.....
Philippe René Georges Rochet

.....
Steffen Jacobsen

Independent auditors' report

To the general partner and the limited partners of ESE 2014 K/S

Opinion

We have audited the financial statements of ESE 2014 K/S for the financial year 1 January – 31 December 2016, 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial state

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 June 2017

Ernst & Young

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Jens Thordahl Nøhr
State Authorized Public Accountant

Peter Andersen
State Authorized Public Accountant

Management's review

Business activities and mission

ESE 2014 K/S was established on 10 August 2009. The company changed its name from Evergas Solvang K/S to ESE 2014 K/S on 10th April 2014. The change of name followed the termination of the joint venture and the company is awaiting wind up.

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

Business review

The company's result for 2016 shows a loss of USD 2,510, and the company's balance sheet shows a negative equity of USD 14,818,855.

Subsequent events

"Trade payables" is payable to the previous owners and is expected to be settled in 2017. The settlement will not have any negative cash impact for the company.

There are no other events subsequent to the balance sheet date, which would require adjustment to, or disclosures in the company's financial statement.

Accounting policies

The Annual Report of ESE 2014 K/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies the following changes in the recognition and measurement:

In future, residual values of property, plant and equipment will be subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's vessels. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions with future effect only as a change in accounting estimates with no impact on equity.

None of the above changes affects the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above changes presentation and disclosure requirements which follow from act no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Reporting currency

The financial statements are presented in USD, the company's functional currency.

Foreign currency translation

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. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses. The exchange rate between USD/DKK per 31 December 2016 was 7.05 against 6.83 per 31 December 2015.

Income statement

Other external expenses

Other external expenses include expenses related to sale and administration.

Net financials

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income/expenses and realised/unrealised exchange gains and losses deriving from transactions in forging currency.

Balance sheet

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

Equity

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

Accounting policies - continued

Other payables

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

Income statement

1 January – 31 December 2016

	Notes	2016 USD	2015 USD
Other external expenses		<u>(2,287)</u>	<u>(591)</u>
Loss before net financials (EBIT)		(2,287)	(591)
Other financial items		<u>(223)</u>	<u>(128)</u>
Net loss for the year		<u>(2,510)</u>	<u>(719)</u>
Appropriation of profit/loss			
Retained earnings		(15,816,345)	(15,815,626)
Net loss for the year		<u>(2,510)</u>	<u>(719)</u>
Retained earnings		<u>(15,818,855)</u>	<u>(15,816,345)</u>

Balance sheet
at 31 December

	Notes	2016 USD	2015 USD
Assets			
Current assets			
Other receivables		<u>89</u>	<u>0</u>
Receivables		<u>89</u>	<u>0</u>
Cash and cash equivalents		<u>56,166</u>	<u>58,318</u>
Total current assets		<u>56,255</u>	<u>58,318</u>
Total assets		<u>56,255</u>	<u>58,318</u>
Equity and liabilities			
Equity			
Share capital		1,000,000	1,000,000
Retained earnings		<u>(15,818,855)</u>	<u>(15,816,345)</u>
Total equity		<u>(14,818,855)</u>	<u>(14,816,626)</u>
Trade payables		<u>14,875,110</u>	<u>14,874,663</u>
Short-term liabilities		<u>14,875,110</u>	<u>14,874,663</u>
Total equity and liabilities		<u>56,255</u>	<u>58,318</u>
Subsequent events	1		
Contingent liabilities	2		
Related parties	3		

Statement of changes in equity

	Notes	2016 USD	2015 USD
Share capital			
Share capital 1/1		<u>1,000,000</u>	<u>1,000,000</u>
Share capital 31/12		<u>1,000,000</u>	<u>1,000,000</u>
Retained earnings			
Retained earnings, 1/1		(15,816,345)	(15,815,626)
Net profit/loss		<u>(2,510)</u>	<u>(719)</u>
Retained earnings, 31/12		<u>(15,818,855)</u>	<u>(15,816,345)</u>
Total equity		<u>(14,818,855)</u>	<u>(14,816,345)</u>

The paid in partnership capital has remained unchanged since the incorporation of the company in 2009.

The General Partner, ESE A/S, is fully liable for all of the partnerships obligations.

The General Partner has the right to call in the outstanding capital of USD'000 4,000 by giving 10 days notice.

The Limited Partners are only liable for an amount corresponding to the amount of which they have subscribed for partnership interest.

Notes

Note 1. Subsequent event

"Trade payables" is payable to the previous owners and is expected to be settled in 2017. The settlement will not have any negative cash impact for the company.

There are no other events subsequent to the balance sheet date, which would require adjustment to, or disclosures in the company's financial statement.

Note 2. Staff costs

The company had no employees in 2016.

Note 3. Contingent liabilities

The Company has no contingent liabilities.

Note 4. 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 are available at the Company's address: Kalvebod Brygge 39-41, Copenhagen DK-1560.