Weco Group A/S

Rungsted Strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 1 January - 31 December 2015

CVR No 29 62 28 68

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 18/5 2016

Oluf Myhrmann
Chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Weco Group 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Rungsted Kyst, 18 May 2016

Executive Board

Johnny Schmølker
CEO

Board of Directors

Johan Wedell-Wedellsborg Chairman	Oluf Myhrmann	Johnny Schmølker

Independent Auditor's Report on the Financial Statements and the Consolidated Financial Statements

To the Shareholder of Weco Group A/S

Report on the Financial Statements and the Consolidated Financial Statements

We have audited the Financial Statements and the Consolidated Financial Statements of Weco Group A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and summary of significant accounting policies. The Financial Statements and the Consolidated Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

Management is responsible for the preparation of Financial Statements and the Consolidated 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 and Consolidated 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 Financial Statements and the Consolidated 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 whether the Financial Statements and the Consolidated Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements and the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements and the Consolidated 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 Financial Statements and Consolidated 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 and the Consolidated Financial Statements.

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

Our audit has not resulted in any qualification.

Independent Auditor's Report on the Financial Statements and the Consolidated Financial Statements

Opinion

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Company and the Group at 31 December 2015 and of the results of the Company and the Group operations and of consolidated cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on 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 Financial Statements and the Consolidated Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements and the Consolidated Financial Statements.

Hellerup, 18 May 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Flemming Eghoff
statsautoriseret revisor

Mark Philip Beer
statsautoriseret revisor

Company Information

The Company	Weco Group A/S Rungsted Strandvej 113 DK-2960 Rungsted Kyst Telephone: + 45 45 17 77 77 CVR No: 29 62 28 68 Financial period: 1 January - 31 December Municipality of reg. office: Hørsholm
Board of Directors	Johan Wedell-Wedellsborg, Chairman Oluf Myhrmann Johnny Schmølker
Executive Board	Johnny Schmølker
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Group Chart

Parent Company

Weco Group A/S,
Hørsholm, Denmark
Nominal value of DKK 50,000k

Subsidiaries

Ownership	Company	Location	Nominal value
100%	Weco Shipping A/S,	Hørsholm, Denmark	Nominal value of DKK 35,000k
100%	Weco-Properties ApS	Hørsholm, Denmark	Nominal value of DKK 10,000k
75%	Weco Biotech ApS	Hørsholm, Denmark	Nominal value of DKK 200k

Associates

Ownership	Company	Location	Nominal value
50%	Northern Medical Group A/S	Hørsholm, Denmark	Nominal value of DKK 1,400k
33%	Majool Artclub ApS	Copenhagen, Denmark	Nominal value of DKK 120k
30%	Cirque SaS	France	Nominal value of DKK 8,000k
25%	OMNI Fondsmæglerselskab A/S	Copenhagen, Denmark	Nominal value of DKK 4,600k

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2015	2014	2013	2012	2011
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,348,267	804,595	691,315	787,538	0
Operating profit/loss	-119,591	-37,428	-39,986	31,835	-3,467
Profit/loss before financial income and expenses	-104,370	-25,042	-32,075	44,964	-3,467
Net financials	260,296	82,179	165,679	220,144	-47,448
Net profit/loss for the year	149,879	54,474	135,210	262,094	-50,473
Balance sheet					
Balance sheet total	1,837,522	1,626,888	1,292,089	1,306,722	469,615
Equity	1,017,740	875,976	814,736	706,476	456,479
Cash flows					
Cash flows from:					
- operating activities	23,473	21,058	-1,249	44,825	0
- investing activities	131,311	-279,881	128,930	95,533	0
including investment in property, plant and equipment	-95,390	-447,248	-26,217	-202,647	0
- financing activities	-139,112	209,254	-76,811	-149,626	0
Change in cash and cash equivalents for the year	15,672	-49,569	50,870	-9,268	0
Number of employees	199	213	195	155	0
Ratios					
Gross margin	7.1 %	9.3 %	10.6 %	20.6 %	0.0 %
Profit margin	-7.7 %	-3.1 %	-4.6 %	5.7 %	0.0 %
Return on assets	-5.7 %	-1.5 %	-2.5 %	3.4 %	-0.7 %
Solvency ratio	55.4 %	53.8 %	63.1 %	54.1 %	97.2 %
Return on equity	15.8 %	6.4 %	17.8 %	45.1 %	-10.4 %

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Main activity

The primary activity of the Group is shipping operations.

Moreover, the Group has a portfolio of securities and properties.

Development in the year

The income statement of the Group for 2015 shows a profit of TDKK 149,879, and at 31 December 2015 the balance sheet of the Group shows equity of TDKK 1,017,740.

The year was characterized by a strong market for the Tankers and a by a tough market through the remaining parts of the shipping portfolio. Despite this, the results for the year are overall considered satisfactory.

The past year and follow-up on development expectations from last year

Management expects a profit for 2016, although at somewhat lower level than in 2015. The reason for this is a continued challenging environment in all areas within Shipping throughout 2016.

The results for the year were as expected in the Annual Report for 2014. The profit from operating activities and the profits on investments were as expected.

The liner activities continued to experience difficult challenges in a volatile market with overall revenue despite a 3 ship service. The liner activities have now been reduced and we expect stable earnings for 2016.

The tramp section experienced a good start to the year but ended in a very difficult market and overall performed below expectations. We expect 2016 to be a 'turnaround' year with a lot lower activity on the Multi Purpose Segment wherefore results will continue to be negative but stabilized towards the end of the year.

The tank activities and investments did very well throughout the year and have taken full advance of a stronger market. We expect tank activities to continue to generate good results although in lesser pace than 2015.

Management's Review

Special risks - operating risks and financial risks

Market risks

Revenues from the shipping operations are linked to global market trends, which through demand fluctuations affect freight rates as well as prices of eg tonnage and fuel. Management currently assesses the extent to which it is relevant to take measures against these market fluctuations, eg through long-term contracts.

International provisions imply that in case of a maritime accident that results in oil or chemical spillage, the Group will be imposed heavy financial liabilities in terms of the clean-up work. To reduce this risk, the widest possible insurance coverage has been taken out, comprising environmental and pollution coverage, coverage of the value of vessel and cargo, liability coverage as regards third parties and war risk insurance.

The Group's portfolio of securities is managed by external partners based on a risk profile defined by Management. Efforts are made to reduce the overall risk through a combination of Danish and foreign shares and bonds.

The Group's property portfolio is generally affected by developments in the Danish property market. Except for the Group's headquarters, the portfolio comprises only residential properties.

Interest rate risks

The interest rate risk on floating-rate loans is to a limited extent hedged by interest rate swaps converting the floating interest rate to a fixed interest rate.

Currency risks

Most of the income from shipping activities is in USD and EUR. To a minor extent, foreign exchange required in connection with operating expenses is subject to forward cover if earnings do not counterbalance these at currency level.

The financing of vessels is mainly in USD and therefore most of the currency risk relating to the assets is hedged.

The Group has one loan in EUR. The loan is not hedged and therefore the Group has a currency risk.

Basis of earnings

Research and development

The Group is not involved in research and development activities.

Management's Review

Intellectual capital resources

Through retention and recruitment of new competences, as well as through cooperation, alliances and education, the intellectual capital resources which are major parameters in the development and perfection of new services increase.

The Group has defined goals, positions and strategies that systematically strengthen the value creation and form the basis of the Group's innovative skills, just as it is important to the future success of the Group to attract and retain well-educated employees who identify with the stated core values. Therefore, heavy investments are made to continuously improve the qualifications of both the land-based and offshore staff of the Group.

Annual performance reviews are held with all employees. During the reviews, the employees' goals, plans for the future and career opportunities are discussed and planned.

Statement in compliance with section 99 (a) of the Danish Financial Statements Act

The Group has no formalized policies on climate change and human rights.

The Group is focused on maintaining and currently developing a high level of quality, safety and environmental protection as an important element of the operation of the vessels. Also in 2015 officers, crew and land-based staff were continuously educated and trained to maintain focus on safety and environment.

New, more rigorous requirements in terms of construction of the vessels, inspections, age, as well as updating of rules within safety and environment demand continuous focus on operating the fleet in accordance with national and international conventions and regulations and on initiating new measures and requirements in good time.

The Group's offshore senior officers are continually attending special courses and seminars at which they are taught and updated on new requirements and rules.

All vessels are as a minimum equipped and certified in accordance with the classification societies' and flag states' recommendations. The day-to-day operation includes verification that own as well as chartered tonnage observes applicable rules and requirements.

Statement in compliance with section 99 (b) of the Danish Financial Statements Act

Target for the underrepresented gender on the Board of Directors

The Weco Group has due to regulation set a new target for having a minimum of 40% of each gender on the Board of Directors in 2018. Despite the continuous efforts to improve the gender equality among the members of the Board of Directors, the Group has been unable to attract qualified persons of the underrepresented gender. Therefore, the current status of the underrepresented gender is 0%. The target was set in 2014.

Policy for increasing the number of women on other management levels

At other management levels in the Group, the representation is approximately 35% women and 65% men.

The Weco Group has an overall policy of recruiting the best suited employees for any given position, irrespective of gender. In order to ensure the broadest possible recruitment basis, continuous efforts also in 2015 were made to create working conditions and a corporate culture that attract and retain qualified employees across gender, nationality and other criteria without importance to the performance.

In 2015, The Weco Group continued to try to optimize the use of its employee resources by giving everybody equal opportunities of developing professionally and career-wise at all levels.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2015	2014	2015	2014
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**1,348,267**	**804,595**	**0**	**0**
Other operating income		15,221	12,386	0	427
Vessel operating costs		(1,224,492)	(705,307)	0	0
Other external expenses		(43,058)	(36,686)	(1,943)	(3,026)
Gross profit/loss		**95,938**	**74,988**	**(1,943)**	**(2,599)**
Staff expenses	2	(111,321)	(75,362)	(999)	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	(88,987)	(24,668)	(1,380)	(7)
Profit/loss before financial income and expenses		**(104,370)**	**(25,042)**	**(4,322)**	**(2,606)**
Income from investments in subsidiaries	4	0	0	143,474	40,829
Income from investments in associates	5	238,353	62,462	(94)	4,672
Financial income	6	51,082	48,155	14,349	13,659
Financial expenses	7	(29,139)	(28,438)	(3,457)	(1,677)
Profit/loss before tax		**155,926**	**57,137**	**149,950**	**54,877**
Tax on profit/loss for the year	8	(117)	(501)	(71)	(403)
Profit/loss before minority interests		**155,809**	**56,636**	**149,879**	**54,474**
Minority interests' share of net profit/loss of subsidiaries		(5,930)	(2,162)	0	0
Net profit/loss for the year		**149,879**	**54,474**	**149,879**	**54,474**

Distribution of profit

	Parent Company	
	2015	2014
	TDKK	TDKK
Proposed distribution of profit		
Extraordinary dividend paid	65,000	27,500
Proposed dividend for the year	10,000	15,000
Reserve for net revaluation under the equity method	145,651	73,612
Retained earnings	(70,772)	(61,638)
	149,879	**54,474**

Balance Sheet 31 December

Assets

	Note	Group 2015 TDKK	Group 2014 TDKK	Parent Company 2015 TDKK	Parent Company 2014 TDKK
Goodwill		7,154	8,390	0	0
Intangible assets	9	**7,154**	**8,390**	**0**	**0**
Land and buildings	10	54,245	80,179	0	0
Investment properties	11	9,704	9,704	0	0
Other fixtures and fittings, tools and equipment	10	36,687	47,553	26,977	27,322
Vessels	10	904,255	857,582	0	0
Prepayments for property, plant and equipment	10	20,037	20,037	0	0
Property, plant and equipment		**1,024,928**	**1,015,055**	**26,977**	**27,322**
Investments in subsidiaries	12	0	0	881,069	661,213
Investments in associates	13	301,765	167,746	13,488	1,578
Receivables from group enterprises	14	0	0	0	37,565
Receivables from associates	14	0	7,052	0	7,050
Other investments	14	60,776	49,961	27,650	23,706
Other receivables	14	0	42,365	0	4,720
Fixed asset investments		**362,541**	**267,124**	**922,207**	**735,832**
Fixed assets		**1,394,623**	**1,290,569**	**949,184**	**763,154**
Bunkers and lube oil		22,026	14,231	0	0
Inventories		**22,026**	**14,231**	**0**	**0**

Balance Sheet 31 December

Assets

	Note	Group 2015 TDKK	Group 2014 TDKK	Parent Company 2015 TDKK	Parent Company 2014 TDKK
Trade receivables		60,116	40,328	0	0
Receivables from group enterprises		0	0	7,048	6,548
Receivables from associates		51,701	31,872	13,055	0
Other receivables		91,032	15,374	13,840	9,784
Corporation tax		1,117	279	896	38
Prepayments	15	20,797	7,265	0	3
Receivables		**224,763**	**95,118**	**34,839**	**16,373**
Current asset investments	16	**75,115**	**121,647**	**75,115**	**115,022**
Cash at bank and in hand		**120,995**	**105,323**	**4,528**	**2,141**
Currents assets		**442,899**	**336,319**	**114,482**	**133,536**
Assets		**1,837,522**	**1,626,888**	**1,063,666**	**896,690**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
		TDKK	TDKK	TDKK	TDKK
Share capital		50,000	50,000	50,000	50,000
Revaluation reserve		4,064	4,064	0	0
Reserve for net revaluation under the equity method		193,943	76,901	688,071	472,231
Retained earnings		759,733	730,011	269,669	338,745
Proposed dividend for the year		10,000	15,000	10,000	15,000
Equity	17	**1,017,740**	**875,976**	**1,017,740**	**875,976**
Minority interests		**12,040**	**1,822**	**0**	**0**
Provision for deferred tax		0	641	0	0
Provisions relating to investments in associates		1,062	0	1,013	0
Other provisions	18	0	44	0	0
Provisions		**1,062**	**685**	**1,013**	**0**
Mortgage loans		15,103	14,892	0	0
Credit institutions		184,070	206,481	0	0
Lease obligations		271,844	281,846	0	0
Other payables		0	24,486	0	0
Long-term debt	19	**471,017**	**527,705**	**0**	**0**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
		TDKK	TDKK	TDKK	TDKK
Mortgage loans	19	421	382	0	0
Credit institutions	19	36,062	59,236	0	0
Lease obligations	19	16,450	11,533	0	0
Prepayments received from customers		18,527	28,345	0	0
Trade payables		97,722	63,300	873	2,020
Payables to group enterprises		0	0	22,671	287
Payables to associates		14,538	17,300	0	0
Payables to owners and Management		4,320	0	4,320	0
Corporation tax		642	0	0	0
Other payables		146,981	40,604	17,049	18,407
Short-term debt		**335,663**	**220,700**	**44,913**	**20,714**
Debt		**806,680**	**748,405**	**44,913**	**20,714**
Liabilities and equity		**1,837,522**	**1,626,888**	**1,063,666**	**896,690**

	Note
Contingent assets, liabilities and other financial obligations	20
Fee to auditors appointed at the general meeting	21

Statement of Changes in Equity

Group

	Share capital	Revaluation reserve	Reserve for net revalua-tion under the equity method	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50,000	4,064	76,901	730,011	15,000	875,976
Ordinary dividend paid	0	0	0	0	-15,000	-15,000
Extraordinary dividend paid	0	0	0	-65,000	0	-65,000
Exchange adjustments relating to foreign entities	0	0	19,492	57,395	0	76,887
Fair value adjustment of hedging instruments	0	0	0	-4,310	0	-4,310
Other equity movements	0	0	4,203	-4,895	0	-692
Net profit/loss for the year	0	0	93,347	46,532	10,000	149,879
Equity at 31 December	**50,000**	**4,064**	**193,943**	**759,733**	**10,000**	**1,017,740**

Parent Company

	Share capital	Revaluation reserve	Reserve for net revalua-tion under the equity method	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50,000	0	472,231	338,745	15,000	875,976
Ordinary dividend paid	0	0	0	0	-15,000	-15,000
Extraordinary dividend paid	0	0	0	-65,000	0	-65,000
Exchange adjustments relating to foreign entities	0	0	71,658	646	0	72,304
Fair value adjustment of hedging instruments	0	0	0	834	0	834
Other equity movements	0	0	-1,469	216	0	-1,253
Net profit/loss for the year	0	0	145,651	-5,772	10,000	149,879
Equity at 31 December	**50,000**	**0**	**688,071**	**269,669**	**10,000**	**1,017,740**

Cash Flow Statement 1 January - 31 December

	Note	Group 2015	Group 2014
		TDKK	TDKK
Net profit/loss for the year		149,879	54,474
Adjustments		-116,350	-78,663
Change in working capital		-31,045	26,057
Cash flows from operating activities before financial income and expenses		**2,484**	**1,868**
Financial income		51,082	48,155
Financial expenses		-29,139	-28,428
Cash flows from ordinary activities		**24,427**	**21,595**
Corporation tax paid		-954	-537
Cash flows from operating activities		**23,473**	**21,058**
Purchase of intangible assets		-2,234	-9,835
Purchase of property, plant and equipment		-95,390	-447,248
Sale of property, plant and equipment		0	149,439
Sale of fixed asset investments etc		145,911	11,386
Purchase of financial instruments		-62,087	0
Dividends received from associates		145,111	16,377
Cash flows from investing activities		**131,311**	**-279,881**
Repayment of mortgage loans		250	0
Repayment of loans from credit institutions		-45,585	0
Reduction of lease obligations		-5,085	0
Repayment of payables to associates		-2,762	0
Raising of mortgage loans		0	230
Raising of loans from credit institutions		0	20,819
Lease obligations incurred		0	208,329
Raising of loans from associates		0	9,538
Minority interests		-5,930	-2,162
Dividend paid		-80,000	-27,500
Cash flows from financing activities		**-139,112**	**209,254**

Cash Flow Statement 1 January - 31 December

	Note	2015	2014
		TDKK	TDKK
Change in cash and cash equivalents		**15,672**	**-49,569**
Cash and cash equivalents at 1 January		105,323	154,892
Cash and cash equivalents at 31 December		**120,995**	**105,323**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		120,995	105,323
Cash and cash equivalents at 31 December		**120,995**	**105,323**

Notes to the Financial Statements

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
1 Revenue				
Geographical segments				
Globally	1,348,267	804,595	0	0
	1,348,267	**804,595**	**0**	**0**
Business segments				
Freight income	62,326	121,702	0	0
Time charter	433,969	237,677	0	0
Line service	851,972	445,216	0	0
	1,348,267	**804,595**	**0**	**0**

2 Staff expenses

Wages and salaries	94,947	61,072	921	0
Pensions	11,322	9,774	69	0
Other social security expenses	1,077	1,013	9	0
Other staff expenses	3,975	3,503	0	0
	111,321	**75,362**	**999**	**0**
Average number of employees	**199**	**213**	**2**	**0**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Notes to the Financial Statements

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	2,182	1,445	0	0
Depreciation of property, plant and equipment	55,358	45,769	147	248
Impairment of intangible assets	1,288	0	1,288	0
Impairment of property, plant and equipment	40,980	0	0	0
Gain and loss on disposal	-10,821	-22,546	-55	-241
	88,987	**24,668**	**1,380**	**7**

	Parent Company	
	2015	2014
	TDKK	TDKK
4 Income from investments in subsidiaries		
Share of profits of subsidiaries	143,474	40,829
	143,474	**40,829**

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
5 Income from investments in associates				
Share of result of associates	238,353	55,659	-94	-2,153
Gain on sale of investments in associates	0	6,825	0	6,825
Loss on sale of investments in associates	0	-22	0	0
	238,353	**62,462**	**-94**	**4,672**

Notes to the Financial Statements

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK

6 Financial income

Income from fixed asset investments	5,841	1,072	216	0
Interest received from group enterprises	0	0	847	996
Other financial income	11,125	11,617	9,040	8,707
Exchange adjustments	34,116	35,466	4,246	3,956
	51,082	**48,155**	**14,349**	**13,659**

7 Financial expenses

Impairment losses on financial assets	859	2,290	0	72
Interest paid to group enterprises	0	0	191	6
Other financial expenses	28,280	26,148	3,266	1,599
	29,139	**28,438**	**3,457**	**1,677**

8 Tax on profit/loss for the year

Current tax for the year	148	78	33	26
Adjustment of tax concerning previous years	-31	423	38	377
	117	**501**	**71**	**403**

Notes to the Financial Statements

9 Intangible assets

Group

	Goodwill
	TDKK
Cost at 1 January	21,471
Additions for the year	1,288
Cost at 31 December	22,759
Impairment losses and amortisation at 1 January	13,081
Exchange adjustment	-946
Impairment losses for the year	1,288
Amortisation for the year	2,182
Impairment losses and amortisation at 31 December	15,605
Carrying amount at 31 December	**7,154**
Amortised over	5 years

Parent Company

	Goodwill
	TDKK
Cost at 1 January	2,810
Additions for the year	1,288
Cost at 31 December	4,098
Impairment losses and amortisation at 1 January	2,810
Impairment losses for the year	1,288
Impairment losses and amortisation at 31 December	4,098
Carrying amount at 31 December	**0**
Amortised over	5 years

Notes to the Financial Statements

10 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Vessels	Prepayments for property, plant and equipment
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	81,565	64,774	981,723	20,037
Additions for the year	0	2,790	6,033	0
Disposals for the year	0	-1,719	-11,509	0
Cost at 31 December	81,565	65,845	976,247	20,037
Revaluations at 1 January	4,064	0	0	0
Revaluations at 31 December	4,064	0	0	0
Impairment losses and depreciation at 1 January	5,450	17,221	124,141	0
Exchange adjustment	-17,204	8,777	-101,291	0
Impairment losses for the year	40,980	0	0	0
Depreciation for the year	2,158	4,058	49,142	0
Reversal of impairment and depreciation of sold assets	0	-898	0	0
Impairment losses and depreciation at 31 December	31,384	29,158	71,992	0
Carrying amount at 31 December	**54,245**	**36,687**	**904,255**	**20,037**
Depreciated over	20 - 100 years	3 - 10 years	2 - 25 years	
Including assets under finance leases amounting to	0	0	383,757	0

Notes to the Financial Statements

10 Property, plant and equipment (continued)

Parent Company

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	27,402
Additions for the year	56
Disposals for the year	-481
Cost at 31 December	26,977
Impairment losses and depreciation at 1 January	80
Depreciation for the year	147
Reversal of impairment and depreciation of sold assets	-227
Impairment losses and depreciation at 31 December	0
Carrying amount at 31 December	**26,977**
Depreciated over	7 years

11 Assets measured at fair value

	Group
	Investment properties
	TDKK
Cost at 1 January	12,675
Cost at 31 December	12,675
Value adjustments at 1 January	-2,971
Value adjustments at 31 December	-2,971
Carrying amount at 31 December	**9,704**

Notes to the Financial Statements

	Parent Company	
	2015	2014
	TDKK	TDKK
12 Investments in subsidiaries		
Cost at 1 January	180,308	180,308
Additions for the year	6,937	0
Disposals for the year	-1,734	0
Cost at 31 December	185,511	180,308
Value adjustments at 1 January	480,905	402,850
Exchange adjustment	71,656	72,459
Net profit/loss for the year	143,474	40,829
Other equity movements, net	-477	-35,233
Value adjustments at 31 December	695,558	480,905
Carrying amount at 31 December	**881,069**	**661,213**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Weco Shipping A/S	Hørsholm, Denmark	TDKK 35,000	100 %
Weco Biotech ApS	Hørsholm, Denmark	TDKK 200	75 %
Weco-Properties ApS	Hørsholm, Denmark	TDKK 10,000	100 %

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
13 Investments in associates				
Cost at 1 January	90,490	54,708	9,942	5,491
Additions for the year	17,949	35,782	11,033	4,451
Disposals for the year	-617	0	0	0
Cost at 31 December	107,822	90,490	20,975	9,942
Value adjustments at 1 January	76,901	63,635	-8,675	-4,231
Disposals for the year	105	0	0	0
Exchange adjustment	19,492	10,932	2	0
Net profit/loss for the year	238,353	55,659	-94	-2,153
Dividends received	-145,111	-16,377	0	0
Other equity movements, net	1,883	-36,948	-991	-2,291
Value adjustments at 31 December	191,623	76,901	-9,758	-8,675
Equity investments with negative net asset value amortised over receivables	1,258	355	1,258	311
Equity investments with negative net asset value transferred to provisions	1,062	0	1,013	0
Carrying amount at 31 December	**301,765**	**167,746**	**13,488**	**1,578**

Notes to the Financial Statements

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Cirque France SaS	France	TDKK 8,000	30 %
Northern Medical Group A/S	Hørsholm, Denmark	TDKK 1,400	50 %
OMNI Fondsmæglerselskab A/S	Copenhagen, Denmark	TDKK 4,600	25 %
Kronborg Shipping K/S	Hørsholm, Denmark	TDKK 40,000	72 %
Kronborg Management ApS	Hørsholm, Denmark	TDKK 1,000	72 %
Stena Weco A/S	Hørsholm, Denmark	TDKK 2,000	50 %
Trivec Ltd.	Thailand	TTHB 1,000	49 %
Vicruz Ltd.	Thailand	TTHB 1,000	49 %
Weco Properties Kløvervænget A/S	Gentofte, Denmark	TDKK 500	46 %
Medusa Denmark A/S	Hørsholm, Denmark	TEUR 1,100	50 %
The Agent Pte. Ltd.	Singapore		50 %
N S Line ApS	Hørsholm, Denmark	TDKK 125	50 %
Thaiden Maritime Ltd.	Thailand		49 %
Majool Artclub ApS	Copenhagen, Denmark	TDKK 120	33 %
Y-mAbsTherapeutics Inc.	USA		20 %
CJP ApS	Gentofte, Denmark	TDKK 80	40 %

Kronborg Shipping K/S and Kronborg Management ApS are regarded as associates as Dannebrog Rederi A/S due to shareholders' agreements is not able to exercise control over the companies.

Notes to the Financial Statements

14 Other fixed asset investments

	Group			Parent Company			
	Receivables from associates	Other investments	Other receivables	Receivables from group enterprises	Receivables from associates	Other investments	Other receivables
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	8,261	40,230	54,280	33,445	8,261	23,953	4,720
Additions for the year	0	6,927	0	0	0	6,927	0
Disposals for the year	-8,261	-1,092	-54,280	-33,445	-8,261	-1,092	-4,720
Cost at 31 December	0	46,065	0	0	0	29,788	0
Impairment losses at 1 January	1,211	-9,731	11,915	-4,120	1,211	247	0
Exchange adjustment	0	70	0	0	0	38	0
Impairment losses for the year	0	9,244	0	0	0	1,853	0
Negative net asset value amortised over receivables	0	-14,294	0	0	0	0	0
Reversal for the year of previous years' impairment losses	-1,211	0	-11,915	4,120	-1,211	0	0
Impairment losses at 31 December	0	-14,711	0	0	0	2,138	0
Carrying amount at 31 December	**0**	**60,776**	**0**	**0**	**0**	**27,650**	**0**

Notes to the Financial Statements

15 Prepayments

Prepayments consist of prepaid expenses concerning time charter, insurance premiums, etc.

16 Current asset investments

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
Shares	75,115	121,647	75,115	115,022
	75,115	**121,647**	**75,115**	**115,022**

17 Equity

The share capital consists of 50,000 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

18 Other provisions

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
Other provisions	0	44	0	0
	0	**44**	**0**	**0**

Notes to the Financial Statements

19 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
Mortgage loans				
After 5 years	13,277	13,354	0	0
Between 1 and 5 years	1,826	1,538	0	0
Long-term part	15,103	14,892	0	0
Within 1 year	421	382	0	0
	15,524	**15,274**	**0**	**0**
Credit institutions				
Between 1 and 5 years	184,070	206,481	0	0
Long-term part	184,070	206,481	0	0
Within 1 year	36,062	59,236	0	0
	220,132	**265,717**	**0**	**0**
Lease obligations				
After 5 years	182,607	94,282	0	0
Between 1 and 5 years	89,237	187,564	0	0
Long-term part	271,844	281,846	0	0
Within 1 year	16,450	11,533	0	0
	288,294	**293,379**	**0**	**0**
Other payables				
Between 1 and 5 years	0	24,486	0	0
Long-term part	0	24,486	0	0
Within 1 year	0	0	0	0
Other short-term payables	146,981	40,605	17,049	18,435
	146,981	**65,091**	**17,049**	**18,435**

Notes to the Financial Statements

20 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

The Group has entered into operating lease agreements with a total future lease payment of DKK 3,005k (2014: DKK 3,954k).

Security

The Group has provided security for vessel-related debt totalling DKK 220,132k (2014: 239,647k) by way of mortgages on the Group's vessels. The total carrying amount of the vessels concerned is DKK 904,255k (2014: DKK 857,582k).

The Group has provided security for mortgage debt totalling DKK 15,203k (2014: 15,448k) by way of mortgages on the Company's properties. The total carrying amount of the properties concerned is DKK 29,710k (2014: DKK 39,525k).

The Group has placed a total cash deposit og USD 2,500k as security for the Group's vessel-related debt and SWAP agreements.

As security for associates' bank debt totalling DKK 18,585k (2014: DKK 17,050k). the Group has placed a deposit totalling DKK 63,874k (2014: DKK 64,645k).

The Company has placed an security for associated debt of USD 9.5 million.

Contractual obligations

The Group's contractual obligations relating to short-term chartering of vessels total DKK 128,266k (2014: DKK 208,807k).
The Group has entered agreements on aquisition of vessels as well as shares of vessels for a total amount of DKK 203,261k (2014: DKK 273,627k).

Contingent liabilities

There is a residual liability corresponding to the Group's share of the non-paid capital totalling USD 3.3 million (2014: USD 3.7 million) tied to the Group's investment in an associate.

As part of the ordinary shipping liner operations, the Group regularly receives loading claims from customers. The individual claims are provided for in the Financial Statements based on an individual assessment.

Notes to the Financial Statements

20 Contingent assets, liabilities and other financial obligations (continued)

The Parent Company has issued a letter of support to Weco-Properties Dubai ApS.

The Danish Group companies are jointly and severally liable for the tax on the Group's jointly taxed income

At the withdrawal from the tonnage tax regime, a tax liability totalling USD 7.9 million is incumbent on the Group.

21 Fee to auditors appointed at the general meeting

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
Audit fee to PricewaterhouseCoopers	809	793	63	62
Tax advisory services	490	571	82	219
Non-audit services	555	796	227	732
	1,854	**2,160**	**372**	**1,013**

Accounting Policies

Basis of Preparation

The Annual Report of Weco Group A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

Consolidated and Parent Company Financial Statements for 2015 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

DKK is used as the measurement currency. All other currencies are regarded as foreign currencies.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Weco Group A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company’s investments in the consolidated subsidiaries are set off against the Parent Company’s share of the net asset value of subsidiaries stated at the time of consolidation.

Accounting Policies

Business combinations

Acquisitions

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). Cost comprises the fair value of the consideration paid as well as expenses for consultants etc directly related to the acquisition. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Amortisation of goodwill is recognised in "Amortisation, depreciation and impairment losses".

Minority interests

On statement of group results and group equity, the shares of results and equity of subsidiaries attributable to minority interests are recognised as separate items in the income statement and the balance sheet. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Accounting Policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Foreign subsidiaries and associates of the Company are separate legal entities and the income statements are translated at average exchange rates, whereas balance sheet items are translated at the exchange rates at the balance sheet date.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Accounting Policies

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income Statement

Revenue

Revenue is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Vessel operating costs

Vessel operating costs comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment together with gains and losses on the sale of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year less goodwill amortisation.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Accounting Policies

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Group is comprised by the tonnage tax regime. No provision is made for deferred tax since no deferred tax is expected to arise under the tonnage tax regime.

The Company is jointly taxed with Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Investment properties and other property, plant and equipment

Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed investment properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and supsuppliers up until the time when the asset is ready for use.

After the initial recognition investment properties are measured at cost net of depreciation and impairment losses.

Other property, plant and equipment

Other property, plant and equipment are measured at cost added revaluations and less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost added revaluations and reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	20 - 100 years

Other fixtures and fittings, tools and equipment	3 - 10 years
Vessels	2 - 25 years

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enter pri ses calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries and associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Current asset investments

Other investments, recognised as fixed asset investments, consist of shares that are measured at their fair value at the balance sheet date.

Bunkers and lube oil

Bunkers and lube oil are measured at the lower of cost under the FIFO method and net realisable value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Accounting Policies

Current asset investments

Current asset investments, which consist of bonds and shares, are measured at their fair values at the balance sheet date.

Prepayments

Prepayments comprise prepaid expenses concerning time charter, insurance premiums, etc.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Accounting Policies

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year}}{\text{Average equity}}$