
Stena Bulk Denmark ApS

Tuborg Boulevard 12, 2., DK-2900 Hellerup

Annual Report for 1 January - 31 December 2017

CVR No 33 58 05 41

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2018

Morten Rich
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Stena Bulk Denmark ApS for the financial year 1 January - 31 December 2017.

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 financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

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

Hellerup, 31 May 2018

Executive Board

Morten Rich

Erik Hånell

Board of Directors

Helén Charlotte Lindström

Sofia Elisabet Ericsson

Erik Hånell

Morten Rich

Johnny Schmølker

Independent Auditor's Report

To the Shareholder of Stena Bulk Denmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Stena Bulk Denmark ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

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

Management's responsibilities for the 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 Statements

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 the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the 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.
- 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 conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Independent Auditor's Report

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.

Hellerup, 31 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mikkel Sthyr
State Authorised Public Accountant
mne26693

René Otto Poulsen
State Authorised Public Accountant
mne26718

Company Information

The Company

Stena Bulk Denmark ApS
Tuborg Boulevard 12, 2.
DK-2900 Hellerup

CVR No: 33 58 05 41
Financial period: 1 January - 31 December
Municipality of reg. office: Gentofte

Board of Directors

Helén Charlotte Lindström
Sofia Elisabet Ericsson
Erik Hånell
Morten Rich
Johnny Schmølker

Executive Board

Morten Rich
Erik Hånell

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2017 USD	2016 USD
Other external expenses		-59.414	-10.959
Gross profit/loss		-59.414	-10.959
Income from investments in subsidiaries	2	-855.375	0
Income from investments in associates	3	-97.436	5.077.654
Financial income	4	714.494	646.323
Financial expenses	5	-1.900.629	-89.130
Profit/loss before tax		-2.198.360	5.623.888
Tax on profit/loss for the year	6	-53.625	-105.264
Net profit/loss for the year		-2.251.985	5.518.624

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method	-3.776.042	-4.914.122
Retained earnings	1.524.057	10.432.746
	-2.251.985	5.518.624

Balance Sheet 31 December

Assets

	Note	2017 USD	2016 USD
Investments in subsidiaries	7	72.159.706	0
Investments in associates	8	0	28.571.165
Fixed asset investments		72.159.706	28.571.165
Fixed assets		72.159.706	28.571.165
Receivables from group enterprises		0	15.357.289
Receivables from associates		13.271.358	10.737.518
Other receivables		83.718	859.654
Receivables		13.355.076	26.954.461
Cash at bank and in hand		78.615	69.851
Currents assets		13.433.691	27.024.312
Assets		85.593.397	55.595.477

Balance Sheet 31 December

Liabilities and equity

	Note	2017 USD	2016 USD
Share capital		95.283	95.283
Reserve for net revaluation under the equity method		6.443.377	10.361.063
Retained earnings		46.484.462	44.960.405
Equity	9	53.023.122	55.416.751
Payables to group enterprises		32.557.830	61.592
Corporation tax		0	110.053
Other payables		12.445	7.081
Short-term debt		32.570.275	178.726
Debt		32.570.275	178.726
Liabilities and equity		85.593.397	55.595.477
Main activity	1		
Contingent assets, liabilities and other financial obligations	10		
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Accounting Policies	12		

Notes to the Financial Statements

1 Main activity

Selskabets formål er at drive virksomhed med shipping og hermed forbundet virksomhed samt at besidde kapitalandele.

	<u>2017</u> USD	<u>2016</u> USD
2 Income from investments in subsidiaries		
Share of profits of subsidiaries	746.013	0
Amortisation of goodwill	<u>-1.601.388</u>	<u>0</u>
	<u>-855.375</u>	<u>0</u>
3 Income from investments in associates		
Share of profits of associates	108.044	6.401.113
Share of losses of associates	-205.480	-657.340
Amortisation of goodwill	<u>0</u>	<u>-666.119</u>
	<u>-97.436</u>	<u>5.077.654</u>
4 Financial income		
Income from fixed asset investments	0	109.669
Other financial income	<u>714.494</u>	<u>536.654</u>
	<u>714.494</u>	<u>646.323</u>
5 Financial expenses		
Impairment losses on financial assets	0	87.460
Other financial expenses	<u>1.900.629</u>	<u>1.670</u>
	<u>1.900.629</u>	<u>89.130</u>

Notes to the Financial Statements

	2017 <u>USD</u>	2016 <u>USD</u>
6 Tax on profit/loss for the year		
Current tax for the year	53.697	113.450
Adjustment of tax concerning previous years	<u>-72</u>	<u>-8.186</u>
	<u>53.625</u>	<u>105.264</u>
 7 Investments in subsidiaries		
Cost at 1 January	0	0
Additions for the year	44.585.145	0
Transfers for the year	<u>14.701.843</u>	<u>0</u>
Cost at 31 December	<u>59.286.988</u>	<u>0</u>
Value adjustments at 1 January	0	0
Net profit/loss for the year	746.012	0
Fair value adjustment of hedging instruments for the year	-141.644	0
Amortisation of goodwill	-1.601.389	0
Transfers for the year	<u>13.869.739</u>	<u>0</u>
Value adjustments at 31 December	<u>12.872.718</u>	<u>0</u>
 Carrying amount at 31 December	<u>72.159.706</u>	<u>0</u>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>14.412.501</u>	<u>0</u>

Notes to the Financial Statements

	2017 <u>USD</u>	2016 <u>USD</u>
8 Investments in associates		
Cost at 1 January	14.701.843	14.701.843
Additions for the year	4	0
Transfers for the year	<u>-14.701.837</u>	<u>0</u>
Cost at 31 December	<u>10</u>	<u>14.701.843</u>
Value adjustments at 1 January	10.361.063	9.750.555
Net effect from merger and acquisition	-2.163.188	0
Net profit/loss for the year	-97.435	5.744.055
Dividends received	0	-10.000.000
Fair value adjustment of hedging instruments for the year	0	5.532.572
Amortisation of goodwill	0	-666.119
Transfers for the year	<u>-14.529.780</u>	<u>0</u>
Value adjustments at 31 December	<u>-6.429.340</u>	<u>10.361.063</u>
Equity investments with negative net asset value amortised over receivables	<u>6.429.330</u>	<u>3.508.259</u>
Carrying amount at 31 December	<u>0</u>	<u>28.571.165</u>

Notes to the Financial Statements

9 Equity

	Share capital USD	Reserve for net revaluation under the equity method USD	Retained earnings USD	Total USD
Equity at 1 January	95.283	10.361.063	44.960.405	55.416.751
Other equity movements	0	-141.644	0	-141.644
Net profit/loss for the year	0	-3.776.042	1.524.057	-2.251.985
Equity at 31 December	95.283	6.443.377	46.484.462	53.023.122

10 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has placed an security for associated companies debt of USD 17,5 million.

The Company has given notice of support on going concern in investment companies.

11 Related parties

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Ultimate Parent Company

Name	Place of registered office
Stena AB	Göteborg, Sverige

The Group Annual Report of Stena AB may be obtained at the following address: Stena AB, Masthuggskajen, SE-405 19 Göteborg, Sverige

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Stena Bulk Denmark ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2017 are presented in USD with exchange rate as at 31 December 2017 - USD 620,77 (31 December 2016 - USD 705,28).

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Stena AB, the Company has not prepared consolidated financial statements.

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.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and 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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

12 Accounting Policies (continued)

Income Statement

Other external expenses

Other external expenses comprise the year's expenses relating to the entity's core activities, including expenses relating to administration etc.

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.

Financial income and expenses

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

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.

Balance Sheet

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 enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised inter-company profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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 the subsidiaries and the associates.

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

Notes to the Financial Statements

12 Accounting Policies (continued)

Receivables

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

Current asset investments

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

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.