
Weco Projects ApS

Rungsted Strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 1 January - 31 December 2018

CVR No 37 32 29 54

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
24/4 2019

Rasmus Lund-Jacobsen
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Weco Projects ApS for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company's operations for 2018.

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

Rungsted Kyst, 24 April 2019

Executive Board

Rasmus Lund-Jacobsen

Independent Auditor's Report

To the Shareholder of Weco Projects ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Weco Projects ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity 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, 24 April 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff
State Authorised Public Accountant
mne30221

Mark Philip Beer
State Authorised Public Accountant
mne29472

Company Information

The Company

Weco Projects ApS
Rungsted Strandvej 113
DK-2960 Rungsted Kyst

CVR No: 37 32 29 54
Financial period: 1 January - 31 December
Municipality of reg. office: Hørsholm

Executive Board

Rasmus Lund-Jacobsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement

1 January - 31 December 2018

	Note	2018 TUSD	2015/16 TUSD
Gross profit/loss		-942	252
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	<u>277</u>	<u>-264</u>
Profit/loss before financial income and expenses		-665	-12
Financial income		28	0
Financial expenses	4	<u>-694</u>	<u>-219</u>
Profit/loss before tax		-1.331	-231
Tax on profit/loss for the year	5	<u>25</u>	<u>4</u>
Net profit/loss for the year		<u>-1.306</u>	<u>-227</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-1.306</u>	<u>-227</u>
		<u>-1.306</u>	<u>-227</u>

Balance Sheet 31 December 2018

Assets

	<u>Note</u>	<u>2018</u> TUSD	<u>2017</u> TUSD
Vessels		9.734	11.123
Property, plant and equipment	6	9.734	11.123
Fixed assets		9.734	11.123
Trade receivables		261	30
Receivables from group enterprises		0	4
Other receivables		633	7
Prepayments		0	17
Receivables		894	58
Currents assets		894	58
Assets		10.628	11.181

Balance Sheet 31 December 2018

Liabilities and equity

	Note	2018 TUSD	2017 TUSD
Share capital		7	7
Retained earnings		-1.535	-229
Equity		-1.528	-222
Lease obligations		8.833	9.333
Long-term debt	7	8.833	9.333
Lease obligations	7	500	500
Prepayments received from customers		78	0
Trade payables		3	95
Payables to group enterprises		2.718	1.475
Other payables		24	0
Short-term debt		3.323	2.070
Debt		12.156	11.403
Liabilities and equity		10.628	11.181
Going concern	1		
Main activity	2		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Accounting Policies	10		

Statement of Changes in Equity

	<u>Share capital</u> TUSD	<u>Retained earnings</u> TUSD	<u>Total</u> TUSD
Equity at 1 January	7	-229	-222
Net profit/loss for the year	0	-1.306	-1.306
Equity at 31 December	7	-1.535	-1.528

Notes to the Financial Statements

1 Going concern

The Company has per 31 December 2018 lost the nominal share capital. The company's management has observed the provisions according to section 119 of the Danish Companies Act. In order for the Company to continue as a going concern, the parent company has made a capital contribution in 2019 of USD 2,000k.

Furthermore in order to strengthen the company's capital resources, the company has received a declaration of limited support from the parent company. The declaration is valid until 31 December 2019.

Based on the above, it is the management's assesment that the company's capital resources are sufficient and, accordingly, present the financial statements according to the principles of going concern.

2 Main activity

The primary activity of the company is directly or by possession of equity in other companies, to do business related to shipping or other business after the Executive Board's discretion associated therewith.

	2018 TUSD	2015/16 TUSD
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation of property, plant and equipment	536	151
Gain and loss on disposal	-813	113
	-277	264
4 Financial expenses		
Interest paid to group enterprises	32	1
Other financial expenses	662	218
	694	219
5 Tax on profit/loss for the year		
Current tax for the year	-25	-4
	-25	-4

Notes to the Financial Statements

6 Property, plant and equipment

	Vessels TUSD
Cost at 1 January	11.274
Additions for the year	421
Disposals for the year	-1.274
Cost at 31 December	<u>10.421</u>
Impairment losses and depreciation at 1 January	151
Depreciation for the year	<u>536</u>
Impairment losses and depreciation at 31 December	<u>687</u>
Carrying amount at 31 December	<u>9.734</u>
Depreciated over	<u>5-25 years</u>
Including assets under finance leases amounting to	<u>9.734</u>

7 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:

	2018 TUSD	2017 TUSD
Lease obligations		
After 5 years	6.833	7.333
Between 1 and 5 years	<u>2.000</u>	<u>2.000</u>
Long-term part	8.833	9.333
Within 1 year	<u>500</u>	<u>500</u>
	<u>9.333</u>	<u>9.833</u>

Notes to the Financial Statements

	2018 TUSD	2017 TUSD
8 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1.027	0
	1.027	0

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Weco A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9 Related parties

Basis

Consolidated Financial Statements

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

Name	Place of registered office
Weco A/S	Hørsholm

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Weco Projects ApS for 2018 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 2018 are presented in USD with exchange rate as at 31. december 2018 USD 651.94 (2017 USD 620.77).

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.

Leases

Leases in terms of which the Company 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 alternative borrowing rate 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 Company.

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.

Notes to the Financial Statements

10 Accounting Policies (continued)

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.

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.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Vessel operating costs

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

Other external expenses

Other external expenses comprise administration expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, vessel operating costs and consumables and other external expenses.

Amortisation, depreciation and impairment losses

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

Financial income and expenses

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

Notes to the Financial Statements

10 Accounting Policies (continued)

Tax on profit/loss for the year

The Company 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 Weco A/S. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost 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 reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Vessels	5-25 years
Docking	5 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of 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.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning insurance and vessel costs.

Notes to the Financial Statements

10 Accounting Policies (continued)

Financial debts

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