
Weco Projects ApS

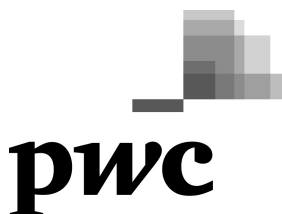
Rungsted Strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 1 January - 31 December 2021

CVR No 37 32 29 54

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/3 2022

Christian Thuesen
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 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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

Rungsted Kyst, 30 March 2022

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, 30 March 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff

State Authorised Public Accountant

mne30221

Martin Birch

State Authorised Public Accountant

mne42825

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
Incorporated: 22 December 2015
Financial year: 6th financial year
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 2021

| | Note | 2021 TUSD | 2020 TUSD |
|--|------|--------------|---------------|
| Gross profit/loss | | 1.971 | 2.028 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 3 | -1.541 | -1.900 |
| Profit/loss before financial income and expenses | | 430 | 128 |
| Financial income | 4 | 0 | 10 |
| Financial expenses | 5 | -1.342 | -1.600 |
| Profit/loss before tax | | -912 | -1.462 |
| Tax on profit/loss for the year | 6 | 120 | 50 |
| Net profit/loss for the year | | -792 | -1.412 |

Distribution of profit

Proposed distribution of profit

| | | |
|-------------------|-------------|---------------|
| Retained earnings | -792 | -1.412 |
| | -792 | -1.412 |

Balance Sheet 31 December 2021

Assets

| | Note | 2021 TUSD | 2020 TUSD |
|--------------------------------------|------|---------------|---------------|
| Vessels | | 28.157 | 27.505 |
| Property, plant and equipment | 7 | 28.157 | 27.505 |
| Fixed assets | | 28.157 | 27.505 |
| Inventories | | 49 | 0 |
| Trade receivables | | 4 | 4 |
| Receivables from group enterprises | | 0 | 931 |
| Other receivables | | 0 | 54 |
| Prepayments | | 152 | 23 |
| Receivables | | 156 | 1.012 |
| Currents assets | | 205 | 1.012 |
| Assets | | 28.362 | 28.517 |

Balance Sheet 31 December 2021

Liabilities and equity

| | Note | 2021 TUSD | 2020 TUSD |
|--|------|---------------|---------------|
| Share capital | | 7 | 7 |
| Retained earnings | | 517 | 1.309 |
| Equity | | 524 | 1.316 |
| Lease obligations | | 20.974 | 23.145 |
| Long-term debt | 8 | 20.974 | 23.145 |
| Lease obligations | 8 | 2.173 | 2.168 |
| Prepayments received from customers | | 1.574 | 121 |
| Payables to group enterprises | | 2.733 | 1.503 |
| Other payables | | 384 | 264 |
| Short-term debt | | 6.864 | 4.056 |
| Debt | | 27.838 | 27.201 |
| Liabilities and equity | | 28.362 | 28.517 |
| Going concern | 1 | | |
| Main activity | 2 | | |
| Contingent assets, liabilities and other financial obligations | 9 | | |
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Statement of Changes in Equity

| | Share capital TUSD | Retained earnings TUSD | Total TUSD |
|------------------------------|-----------------------|------------------------------|---------------|
| Equity at 1 January | 7 | 1.309 | 1.316 |
| Net profit/loss for the year | 0 | -792 | -792 |
| Equity at 31 December | 7 | 517 | 524 |

Notes to the Financial Statements

1 Going concern

In order to strengthen the company's capital resources, the company has received a declaration of support from the parent company. The declaration is valid until and including 31 December 2022.

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.

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation of property, plant and equipment

| | 2021 TUSD | 2020 TUSD |
|--|--------------|--------------|
| | 1.541 | 1.900 |
| | 1.541 | 1.900 |

4 Financial income

Interest received from group enterprises

| | | |
|--|----------|-----------|
| | 0 | 10 |
| | 0 | 10 |

5 Financial expenses

Interest paid to group enterprises

Other financial expenses

Exchange loss

| | | |
|--|--------------|--------------|
| | 89 | 48 |
| | 1.249 | 1.531 |
| | 4 | 21 |
| | 1.342 | 1.600 |

Notes to the Financial Statements

| | 2021 TUSD | 2020 TUSD |
|--|--------------|--------------|
| 6 Tax on profit/loss for the year | | |
| Current tax for the year | -120 | -50 |
| | -120 | -50 |

7 Property, plant and equipment

| | Vessels TUSD |
|--|-----------------|
| Cost at 1 January | 31.076 |
| Additions for the year | 2.193 |
| Cost at 31 December | 33.269 |
| Impairment losses and depreciation at 1 January | 3.571 |
| Depreciation for the year | 1.541 |
| Impairment losses and depreciation at 31 December | 5.112 |
| Carrying amount at 31 December | 28.157 |
| Depreciated over | 5-25 years |
| Including assets under finance leases amounting to | 28.157 |

8 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:

| | 2021 TUSD | 2020 TUSD |
|--------------------------|---------------|---------------|
| Lease obligations | | |
| After 5 years | 12.314 | 14.482 |
| Between 1 and 5 years | 8.660 | 8.663 |
| Long-term part | 20.974 | 23.145 |
| Within 1 year | 2.173 | 2.168 |
| | 23.147 | 25.313 |

Notes to the Financial Statements

9 Contingent assets, liabilities and other financial obligations

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.

10 Related parties

Basis

Consolidated Financial Statements

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

Name

Weco Shipping A/S

Place of registered office

Hørsholm

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of Weco Projects ApS for 2021 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 2021 are presented in TUSD. Applied US Dollar exchange rate on the 31 December 2021 DKK 656,12 (2020: DKK 605,76).

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

11 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 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.

Other operating income and expenses

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

Notes to the Financial Statements

11 Accounting Policies (continued)

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

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.

Notes to the Financial Statements

11 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

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.

Financial debts

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