Weco Projects ApS

Rungsted strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 2022

CVR No. 37 32 29 54

The Annual Report was presented and adopted at the Annual General Meeting of the company on 30/3 2023

Christian Thuesen
Chairman of the general meeting

Contents

	Page
Management's Statement and Auditor's Report	
Management's statement	1
Independent Auditor's report	2
Company information	
Company information	4
Financial Statements	
Income statement 1 January - 31 December	5
Balance sheet 31 December	6
Statement of changes in equity	8
Notes to the Financial Statements	9

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Management's statement

The Executive Board has today considered and adopted the Financial Statements of Weco Projects ApS for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Rungsted Kyst, 30 March 2023

Executive Board

Oluf Myhrmann

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 2022 and of the results of the Company´s operations for the financial year 1 January - 31 December 2022 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 2022, 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.

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.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our 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.

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 2023

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: 7th financial year Municipality of reg. office: Hørsholm
Executive board	Oluf Myhrmann Rasmus Lund-Jacobsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Income statement 1 January - 31 December

	Note	2022	2021
		TUSD	TUSD
Gross profit	2	**34,384**	**1,971**
Depreciation and impairment losses of property, plant and equipment	3	-1,463	-1,541
Profit/loss before financial income and expenses		**32,921**	**430**
Financial income	4	160	0
Financial expenses	5	-781	-1,342
Profit/loss before tax		**32,300**	**-912**
Tax on profit/loss for the year	6	-600	120
Net profit/loss for the year		**31,700**	**-792**

Distribution of profit

	2022	2021
	TUSD	TUSD
Proposed distribution of profit		
Retained earnings	31,700	-792
	31,700	**-792**

Balance sheet 31 December

Assets

	Note	2022	2021
		TUSD	TUSD
Vessels		0	28,157
Property, plant and equipment	7	**0**	**28,157**
Fixed assets		**0**	**28,157**
Raw materials and consumables		0	49
Inventories		**0**	**49**
Trade receivables		0	4
Receivables from group enterprises		32,864	0
Prepayments		0	152
Receivables		**32,864**	**156**
Current assets		**32,864**	**205**
Assets		**32,864**	**28,362**

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		TUSD	TUSD
Share capital		7	7
Retained earnings		32,217	517
Equity		**32,224**	**524**
Lease obligations		0	20,974
Long-term debt		**0**	**20,974**
Lease obligations		0	2,173
Prepayments received from customers		0	1,574
Trade payables		10	0
Payables to group enterprises		600	2,733
Other payables		30	384
Short-term debt		**640**	**6,864**
Debt		**640**	**27,838**
Liabilities and equity		**32,864**	**28,362**

Key activities	1
Contingent assets, liabilities and other financial obligations	8
Related parties	9
Accounting Policies	10

Statement of changes in equity

	Share capital	Retained earnings	Total
	TUSD	TUSD	TUSD
Equity at 1 January	7	517	524
Net profit/loss for the year	0	31,700	31,700
Equity at 31 December	7	**32,217**	**32,224**

Notes to the Financial Statements

1. Key activities

The primary activity of the company is directly or by possession of equity in other companies to do business related to shipping.

2. Special items

	2022	2021
	TUSD	TUSD
Gain on sale of vessels (other operating income)	24,969	0
	24,969	**0**

3. Depreciation and impairment losses of property, plant and equipment

	2022	2021
	TUSD	TUSD
Depreciation of property, plant and equipment	1,463	1,541
	1,463	**1,541**

4. Financial income

	2022	2021
	TUSD	TUSD
Interest received from group enterprises	160	0
	160	**0**

5. Financial expenses

	2022	2021
	TUSD	TUSD
Interest paid to group enterprises	21	89
Other financial expenses	754	1,249
Exchange loss	6	4
	781	**1,342**

	2022	2021
	TUSD	TUSD

6. Income tax expense

Current tax for the year	600	-120
	600	**-120**

7. Property, plant and equipment

	Vessels
	TUSD
Cost at 1 January	33,269
Disposals for the year	-33,269
Cost at 31 December	0
Impairment losses and depreciation at 1 January	5,112
Depreciation for the year	1,463
Impairment and depreciation of sold assets for the year	-6,575
Impairment losses and depreciation at 31 December	0
Carrying amount at 31 December	**0**
Amortised over	5-25 years

8. Contingent assets, liabilities and other financial obligations

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 and disclosure of consolidated financial statements

Consolidated Financial Statements

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

Name	Place of registered office
Weco Shipping A/S	Hørsholm

10. Accounting policies

The Annual Report of Weco Projects ApS for 2022 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.

The Financial Statements for 2022 are presented in TUSD. Applied US Dollar exchange rate on the 31. December 2022 DKK 697,22 (2021: DKK 656,12).

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.

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

Net sales

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.

Expenses for raw materials and consumables

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

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials 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.

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, including 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.

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.

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.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

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