
Weco Management ApS

Rungsted Strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 1 January - 31 December 2017

CVR No 37 32 30 12

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
15/6 2018

Rasmus Lund-Jacobsen
Chairman



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Weco Management ApS for the financial year 1 January - 31 December 2017.

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 2017 of the Company and of the results of the Company operations for 2017.

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

Rungsted Kyst, 15 June 2018

Executive Board

Rasmus Lund-Jacobsen

Independent Auditor's Report

To the Shareholder of Weco Management 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 Weco Management ApS for the financial year 1 January - 31 December 2017, 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.

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

Independent Auditor's Report

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.

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, 15 June 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff
statsautoriseret revisor
mne30221

Mark Phillip Beer
statsautoriseret revisor
mne29472

Company Information

The Company

Weco Management ApS
Rungsted Strandvej 113
DK-2960 Rungsted Kyst

CVR No: 37 32 30 12

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 2017

	Note	2017 TDKK	2016 TDKK
Gross profit/loss		21.055	27.369
Staff expenses	3	-20.975	-27.637
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-9	0
Profit/loss before financial income and expenses		71	-268
Financial income	5	5.824	468
Financial expenses	6	-5.675	-644
Profit/loss before tax		220	-444
Tax on profit/loss for the year	7	-30	5
Net profit/loss for the year		190	-439

Distribution of profit

Proposed distribution of profit

Retained earnings		190	-439
		190	-439

Balance Sheet 31 December 2017

Assets

	Note	2017 TDKK	2016 TDKK
Other fixtures and fittings, tools and equipment		711	0
Property, plant and equipment	8	711	0
Fixed assets		711	0
Trade receivables		2.272	397
Receivables from group enterprises		264.228	27.826
Receivables from associates		0	1.615
Other receivables		480	245
Receivables		266.980	30.083
Cash at bank and in hand		21.888	0
Currents assets		288.868	30.083
Assets		289.579	30.083

Balance Sheet 31 December 2017

Liabilities and equity

	Note	2017 TDKK	2016 TDKK
Share capital		50	50
Retained earnings		-249	-439
Equity		-199	-389
Trade payables		1.369	333
Payables to group enterprises		282.234	26.277
Payables to associates		5.264	0
Other payables		911	3.862
Short-term debt		289.778	30.472
Debt		289.778	30.472
Liabilities and equity		289.579	30.083
Going concern	1		
Main activity	2		
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Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	50	-439	-389
Net profit/loss for the year	<u>0</u>	<u>190</u>	<u>190</u>
Equity at 31 December	<u>50</u>	<u>-249</u>	<u>-199</u>

Notes to the Financial Statements

1 Going concern

The Company has lost the nominal share capital. Management has complied with section 119 of the Danish Companies Act. Management expects to re-establish nominal share capital, with a profit expected for 2018. In addition, the Company's Parent Company have committed financial support, which are valid until 31 December 2018. The financial Statements are therefore presented on a going concern assumption.

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, shippingadministration or other business after the Executive Board's discretion associated therewith.

	<u>2017</u> TDKK	<u>2016</u> TDKK
3 Staff expenses		
Wages and salaries	16.402	22.073
Pensions	1.516	2.251
Other social security expenses	594	253
Other staff expenses	2.463	3.060
	<u>20.975</u>	<u>27.637</u>
Average number of employees	<u>22</u>	<u>21</u>
4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation of property, plant and equipment	<u>9</u>	<u>0</u>
	<u>9</u>	<u>0</u>
5 Financial income		
Interest received from group enterprises	5.432	177
Exchange adjustments	392	291
	<u>5.824</u>	<u>468</u>

Notes to the Financial Statements

	<u>2017</u> TDKK	<u>2016</u> TDKK
6 Financial expenses		
Interest paid to group enterprises	5.665	640
Other financial expenses	<u>10</u>	<u>4</u>
	<u>5.675</u>	<u>644</u>
7 Tax on profit/loss for the year		
Current tax for the year	<u>30</u>	<u>-5</u>
	<u>30</u>	<u>-5</u>
8 Property, plant and equipment		
		Other fixtures and fittings, tools and equipment <u>TDKK</u>
Cost at 1 January		0
Additions for the year		<u>720</u>
Cost at 31 December		<u>720</u>
Impairment losses and depreciation at 1 January		0
Depreciation for the year		<u>9</u>
Impairment losses and depreciation at 31 December		<u>9</u>
Carrying amount at 31 December		<u>711</u>

Notes to the Financial Statements

9 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.

10 Related parties

Basis

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
Weco A/S	Hørsholm

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of Weco Management ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 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 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 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. 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.

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

Notes to the Financial Statements

11 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services 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.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

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.

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.

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

Notes to the Financial Statements

11 Accounting Policies (continued)

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:

Other fixtures and fittings, tools and equipment 5 years

Depreciation period and residual value are reassessed annually.

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.

Receivables

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

Financial debts

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