
Weco Management ApS

Rungsted Strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 1 January - 31 December 2019

CVR No 37 32 30 12

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/3 2020

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 Management ApS for the financial year 1 January - 31 December 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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

Rungsted Kyst, 31 March 2020

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, 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.

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 March 2020

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 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 2019

	Note	2019 TDKK	2018 TDKK
Gross profit/loss		18.130	18.121
Staff expenses	4	-15.153	-14.801
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	5	-181	-247
Profit/loss before financial income and expenses		2.796	3.073
Financial income	6	4.854	18.723
Financial expenses	7	-7.312	-21.496
Profit/loss before tax		338	300
Tax on profit/loss for the year	8	-300	-250
Net profit/loss for the year		38	50

Distribution of profit

Proposed distribution of profit

Retained earnings		38	50
		38	50

Balance Sheet 31 December 2019

Assets

	Note	2019 TDKK	2018 TDKK
Other fixtures and fittings, tools and equipment		7.212	2.694
Property, plant and equipment	9	7.212	2.694
Fixed assets		7.212	2.694
Trade receivables		205	51
Receivables from group enterprises		77.280	430.956
Receivables from associates		16	16
Other receivables		1.047	174
Receivables		78.548	431.197
Cash at bank and in hand		24.154	24.649
Currents assets		102.702	455.846
Assets		109.914	458.540

Balance Sheet 31 December 2019

Liabilities and equity

	Note	2019 TDKK	2018 TDKK
Share capital		50	50
Retained earnings		-161	-199
Equity		-111	-149
Provision for deferred tax		400	0
Provisions		400	0
Trade payables		10.834	2.335
Payables to group enterprises		96.994	446.708
Payables to associates		0	7.227
Other payables		1.797	2.419
Short-term debt		109.625	458.689
Debt		109.625	458.689
Liabilities and equity		109.914	458.540
Going concern	1		
Subsequent events	2		
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	50	-199	-149
Net profit/loss for the year	0	38	38
Equity at 31 December	50	-161	-111

Notes to the Financial Statements

1 Going concern

The Company has at 31 December 2019 lost more than 50% of the nominal share capital, wherefore the Company is subject to the rules of capital loss in the Danish Companies Act.

Management has complied with section 119 of the Danish Companies Act and expects to reestablish nominal share capital due to expected profit for 2020.

Furthermore 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 2020.

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

2 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

At this time, it is not possible to calculate the size of the negative COVID-19 impact.

3 Main activity

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

4 Staff expenses

	<u>2019</u> TDKK	<u>2018</u> TDKK
Wages and salaries	11.407	11.029
Pensions	1.851	1.789
Other social security expenses	126	105
Other staff expenses	1.769	1.878
	<u>15.153</u>	<u>14.801</u>
Average number of employees	<u>17</u>	<u>17</u>

Notes to the Financial Statements

	2019 <u>TDKK</u>	2018 <u>TDKK</u>
5 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation of property, plant and equipment	181	96
Gain and loss on disposal	<u>0</u>	<u>151</u>
	<u>181</u>	<u>247</u>
6 Financial income		
Interest received from group enterprises	4.854	18.721
Other financial income	<u>0</u>	<u>2</u>
	<u>4.854</u>	<u>18.723</u>
7 Financial expenses		
Interest paid to group enterprises	6.885	15.815
Other financial expenses	108	46
Exchange loss	<u>319</u>	<u>5.635</u>
	<u>7.312</u>	<u>21.496</u>
8 Tax on profit/loss for the year		
Current tax for the year	-100	250
Deferred tax for the year	<u>400</u>	<u>0</u>
	<u>300</u>	<u>250</u>

Notes to the Financial Statements

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	
	TDKK	
Cost at 1 January		2.717
Additions for the year		4.699
Cost at 31 December		7.416
Impairment losses and depreciation at 1 January		23
Depreciation for the year		181
Impairment losses and depreciation at 31 December		204
Carrying amount at 31 December		7.212

	2019	2018
	TDKK	TDKK
10 Contingent assets, liabilities and other financial obligations		

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	4.454	243
Between 1 and 5 years	318	540
	4.772	783

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.

Notes to the Financial Statements

11 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

12 Accounting Policies

The Annual Report of Weco Management ApS for 2019 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 2019 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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

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, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

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 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

12 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

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 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:

Other fixtures and fittings, tools and equipment	5	years
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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.

Notes to the Financial Statements

12 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Financial debts

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