
Stenwec II ApS

Tuborg Boulevard 12, 2., DK-2900 Hellerup

Annual Report for 1 January - 31 December 2020

CVR No 37 40 89 05

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
15/06 2021

Morten Rich
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Stenwec II ApS for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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

Hellerup, 15 June 2021

Executive Board

Aayush Giri
Executive Officer

Board of Directors

Per Lars Erik Hånell
Chairman

Morten Rich

Aayush Giri

Sofia Elisabet Ericsson

Hanna Maria Schønnemann

Independent Auditor's Report

To the Shareholder of Stenwec II ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Stenwec II ApS for the financial year 1 January - 31 December 2020, 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- 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 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

René Otto Poulsen

State Authorised Public Accountant

mne26718

Company Information

The Company

Stenwec II ApS
Tuborg Boulevard 12, 2.
DK-2900 Hellerup

CVR No: 37 40 89 05
Financial period: 1 January - 31 December
Incorporated: 29 January 2016
Financial year: 5th financial year
Municipality of reg. office: Gentofte

Board of Directors

Per Lars Erik Hånell, Chairman
Morten Rich
Aayush Giri
Sofia Elisabet Ericsson
Hanna Maria Schønnemann

Executive Board

Aayush Giri

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2020 TUSD	2019 TUSD	2018 TUSD	2017 TUSD	2016 TUSD
Key figures					
Profit/loss					
Operating profit/loss	14.451	5.172	5.476	3.859	532
Profit/loss before financial income and expenses	14.451	5.172	5.476	3.859	532
Net financials	-1	-1	2	1	-1
Net profit/loss for the year	14.338	5.138	5.412	3.860	531
Balance sheet					
Balance sheet total	33.499	16.201	10.188	4.816	1.143
Equity	29.286	14.948	9.810	4.398	538
Ratios					
Return on assets	43,1%	31,9%	53,7%	80,1%	46,5%
Solvency ratio	87,4%	92,3%	96,3%	91,3%	47,1%
Return on equity	64,8%	41,5%	76,2%	156,4%	197,4%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Key activities

The primary activity of the company is to operate in the shipping market and hereto related businesses.

Development in the year

The income statement of the Company for 2020 shows a profit of TUSD 14,338, and at 31 December 2020 the balance sheet of the Company shows equity of TUSD 29,286.

Special risks - operating risks and financial risks

Market risks

The Company's freight income is mainly generated by Time Charter agreements at the market terms on the date concerned.

In case of shipping accidents that may result in oil or chemical spillage, significant financial obligations may be imposed on the Company for clean-up work according to the international rules. In order to meet this risk, the widest possible insurance cover has been established, covering damage to the environment and pollution, damage to vessels and cargo, third-party liability and war risk.

Foreign exchange risks

The Company's income is in USD, as are most of the Company's expenses. Therefore, Management has not considered it relevant to hedge commercial currency risks.

Targets and expectations for the year ahead

Management expects not to extend and activities once the current Time Charter agreements ends in Q4 2021, whereafter the company is expected to be closed.

Gross profit for 2021 is expected to be on level with 2020.

Basis of earnings

Research and development

The Company is not engaged in any research and development activities.

Management's Review

External environment

The Shipping Company focuses on maintaining and currently increasing the high level of quality, safety and environmental protection as important elements in the operation of the vessels.

New stricter rules relating to the construction of vessels, inspection and age limits as well as updated rules relating to security, safety and environment require continuous focus on operating the fleet in accordance with national and international conventions and regulations and on implementing new measures and requirements in good time.

As a minimum, all vessels are equipped and certified according to the recommendations of classification companies and the flag states. Daily operations include verification that the chartered tonnage complies with current rules and requirements.

Intellectual capital resources

The company is a subsidiary company of Stena Bulk A/S, and all employees are employed through the mother company.

The Company delivers transport solutions. By virtue of internal professional competence and the wide range of services, the Company is able, in cooperation with customers and shipping agents, to add value for the customers by refining the qualities of the individual transportation product.

By retaining and recruiting new competences, and through cooperation, alliances and training, the Company increases its intellectual capital, which is a significant parameter in the development and bringing to perfection of new services.

The Company is committed to objectives, attitudes and strategies which systematically add value and form the basis of the Stena Group's innovative capacity, and in order to stay successful, it is important for the Company to attract and retain well-educated employees who identify with the Company's core values. Therefore, considerable resources are invested in the continued training of the Company's employees. Moreover, the Company actively focuses on the welfare of its employees as well as the understanding of strategy and objectives across the entire organization.

Annual job appraisal interviews are held for all employees at which goals and plans for the future as well as career opportunities are discussed and planned.

Statement of corporate social responsibility

Please refer to the Group's CSR report prepared by Stena AB, Sweden, which can be found via the following link :

https://www.stena.com/app/uploads/2021/04/StenaAB_Annual_Review_2020_ENG.pdf

Management's Review

Statement on gender composition

Gender distribution in Company Management

The Stena Group has an overall policy of recruiting the best suited employees for any given position, irrespective of gender. In order to ensure the broadest possible recruitment basis, continuous efforts are made to create working conditions and a corporate culture that attract and retain qualified employees across gender, nationality and other criteria without importance to the performance. The Stena Group tries to optimize the use of its employee resources by giving everybody equal opportunities of developing professionally and career-wise at all levels.

Supreme governing body

Stena Bulk A/S has due to regulation set the target for having a minimum of 40% of each gender on the Board of Directors in 2020. Because the continuous efforts to improve the gender equality among the members of the Board of Directors, the Group has been able to attract qualified persons of the underrepresented gender. The current status of the underrepresented gender is 40%.

Other management levels

With reference to the number of employees in the Group being less than 50 employees, the Company does not wish to disclose its policy for increasing the share of the underrepresented gender at the Company's other management levels.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2020 of the Company and the results of the activities of the Company for the financial year for 2020 have not been affected by any unusual events.

Subsequent events

The consequences of outbreak of Covid-19 is at this stage still evolving. Stena has taken steps to ensure the health and safety of its employees and in parallel is focused on minimizing any negative impact on the business. The situation is continuously developing, and the assessment is that there is a risk that the outbreak of the corona virus may have a negative financial impact during 2021 for our Business Areas.

The restrictions in travel has negatively affected the possibility to change crew according to schedules. Congestions in ports due to restrictions slows down loading and unloading.

So far Tanker operation has only seen any negative impacts due to crew changes and marked expectations are driven by the normal macroeconomics.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> TUSD	<u>2019</u> TUSD
Gross profit/loss		14.451	5.172
Financial expenses		<u>-1</u>	<u>-1</u>
Profit/loss before tax		14.450	5.171
Tax on profit/loss for the year	1	<u>-112</u>	<u>-33</u>
Net profit/loss for the year		14.338	5.138

Balance Sheet 31 December

	<u>Note</u>	<u>2020</u> TUSD	<u>2019</u> TUSD
Assets			
Receivables from group enterprises		33.496	16.198
Receivables		<u>33.496</u>	<u>16.198</u>
Cash at bank and in hand		<u>3</u>	<u>3</u>
Currents assets		<u>33.499</u>	<u>16.201</u>
Assets		<u>33.499</u>	<u>16.201</u>
Liabilities and equity			
Share capital		7	7
Retained earnings		29.279	14.941
Equity		<u>29.286</u>	<u>14.948</u>
Payables to group enterprises		4.210	1.253
Other payables		3	0
Short-term debt		<u>4.213</u>	<u>1.253</u>
Debt		<u>4.213</u>	<u>1.253</u>
Liabilities and equity		<u>33.499</u>	<u>16.201</u>
Subsequent events	4		
Distribution of profit	2		
Contingent assets, liabilities and other financial obligations	3		
Accounting Policies	5		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TUSD	TUSD	TUSD
Equity at 1 January	7	14.941	14.948
Net profit/loss for the year	0	14.338	14.338
Equity at 31 December	7	29.279	29.286

Notes to the Financial Statements

	2020 <u>TUSD</u>	2019 <u>TUSD</u>
1 Tax on profit/loss for the year		
Current tax for the year	<u>112</u>	<u>33</u>
	<u>112</u>	<u>33</u>
2 Distribution of profit		
Retained earnings	<u>14.338</u>	<u>5.138</u>
	<u>14.338</u>	<u>5.138</u>
3 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	24.112	36.135
Between 1 and 5 years	<u>0</u>	<u>27.225</u>
	<u>24.112</u>	<u>63.360</u>
4 Subsequent events		
No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.		

Notes to the Financial Statements

5 Accounting Policies

The Annual Report of Stenwec II ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2020 are presented in USD with exchange rate as at 31. december 2020, USD 605,76 (2019, USD 667,59).

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

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 it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and 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.

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.

Notes to the Financial Statements

5 Accounting Policies (continued)

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.

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

Expenses for tankers

Expenses for tankers comprise the raw materials and consumables consumed to achieve revenue for the enterprise.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution 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, expenses for raw materials and consumables and other external expenses.

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.

Balance Sheet

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.

Notes to the Financial Statements

5 Accounting Policies (continued)

Financial debts

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$