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BDO Statsautoriseret revisionsaktieselskab  
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CVR no. 20 22 26 70

**HEBO MARITIME NORDIC APS**  
**C/O DELACOUR ADVOKATPARTNERSELSKAB, ÅBOULEVARDEN 13, 8000 AARHUS C**  
**ANNUAL REPORT**  
**21 DECEMBER 2017 - 31 DECEMBER 2018**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 29 May 2019**

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**Wiebbe Bonsink**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 39 18 61 36**

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**COMPANY DETAILS**

<b>Company</b>	HEBO Maritime Nordic ApS c/o DELACOUR Advokatpartnerselskab Åboulevarden 13 8000 Aarhus C  CVR No.: 39 18 61 36 Established: 21 December 2017 Registered Office: Aarhus Financial Year: 21 December 2017 - 31 December 2018
<b>Board of Executives</b>	Wiebbe Bonsink
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Jeppe Aakjærs Vej 10 9500 Hobro
<b>Bank</b>	Danske Bank Holmens Kanal 2-12 1092 Copenhagen K

## STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of HEBO Maritime Nordic ApS for the financial year 21 December 2017 - 31 December 2018.

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

In my opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 21 December 2017 - 31 December 2018.

The Management's Review includes in my opinion a fair presentation of the matters dealt with in the Review.

I recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 8 May 2019

Board of Executives

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Wiebbe Bonsink

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of HEBO Maritime Nordic ApS

### Opinion

We have audited the Financial Statements of HEBO Maritime Nordic ApS for the financial year 21 December 2017 - 31 December 2018, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company's at 31 December 2018 and of the results of the Company's operations for the financial year 21 December 2017 - 31 December 2018 in accordance with the Danish Financial Statements Act.

### 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Management's Responsibility 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 judgment and maintain professional skepticism 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.

### 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 Financial Statements Act.

Based on the work we have performed, we conclude that 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 of Management's Review.

Hobro, 8 May 2019

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Michael Graversen  
State Authorised Public Accountant  
MNE no. mne34099

## MANAGEMENT'S REVIEW

### **Principal activities**

The principal activities comprise salvage and towing activities at sea.

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the company's financial position.

## INCOME STATEMENT 21 DECEMBER - 31 DECEMBER

	Note	2017/18 DKK
<b>GROSS PROFIT</b> .....		<b>5.634.435</b>
Depreciation, amortisation and impairment losses.....		-2.879.600
<b>OPERATING PROFIT</b> .....		<b>2.754.835</b>
Other financial income.....	2	31.663
Other financial expenses.....	3	-1.276.583
<b>PROFIT BEFORE TAX</b> .....		<b>1.509.915</b>
Tax on profit/loss for the year.....	4	-332.181
<b>PROFIT FOR THE YEAR</b> .....		<b>1.177.734</b>
<b>PROPOSED DISTRIBUTION OF DIVIDEND</b>		
Retained earnings.....		1.177.734
<b>TOTAL</b> .....		<b>1.177.734</b>



BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 DKK
Vessel.....		57.114.792
<b>Tangible fixed assets.....</b>	<b>5</b>	<b>57.114.792</b>
<b>FIXED ASSETS.....</b>		<b>57.114.792</b>
Trade receivables.....		652.943
Receivables from group enterprises.....		4.384.406
Other receivables.....		111.933
<b>Receivables.....</b>		<b>5.149.282</b>
<b>Cash and cash equivalents.....</b>		<b>865.501</b>
<b>CURRENT ASSETS.....</b>		<b>6.014.783</b>
<b>ASSETS.....</b>		<b>63.129.575</b>

## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2018 DKK
Share capital.....		100.000
Retained earnings.....		1.177.734
<b>EQUITY.....</b>	<b>6</b>	<b>1.277.734</b>
Provision for deferred tax.....		332.181
<b>PROVISION FOR LIABILITIES.....</b>		<b>332.181</b>
Bank loan.....		43.094.205
<b>Long-term liabilities.....</b>	<b>7</b>	<b>43.094.205</b>
Short-term portion of long-term liabilities.....	7	5.223.540
Bank debt.....		4.648.301
Trade payables.....		72.000
Payables to group enterprises.....		8.119.465
Other liabilities.....		362.149
<b>Current liabilities.....</b>		<b>18.425.455</b>
<b>LIABILITIES.....</b>		<b>61.519.660</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>63.129.575</b>
 Contingencies etc.	 8	
Charges and securities	9	

## NOTES

	2017/18 DKK	Note	
<b>Staff costs</b>		<b>1</b>	
Average number of employees 1			
<b>Other financial income</b>		<b>2</b>	
Group enterprises.....	31.663		
	<b>31.663</b>		
<b>Other financial expenses</b>		<b>3</b>	
Group enterprises.....	304.784		
Other interest expenses.....	971.799		
	<b>1.276.583</b>		
<b>Tax on profit/loss for the year</b>		<b>4</b>	
Adjustment of deferred tax.....	332.181		
	<b>332.181</b>		
<b>Tangible fixed assets</b>		<b>5</b>	
	Vessel		
Additions.....	59.994.392		
Cost at 31 December 2018.....	<b>59.994.392</b>		
Depreciation for the year.....	2.879.600		
Depreciation and impairment losses at 31 December 2018.....	<b>2.879.600</b>		
Carrying amount at 31 December 2018.....	<b>57.114.792</b>		
<b>Equity</b>		<b>6</b>	
	Share capital	Retained earnings	Total
Equity at 21 December 2017.....	100.000	0	100.000
Proposed distribution of profit.....		1.177.734	1.177.734
Equity at 31 December 2018.....	<b>100.000</b>	<b>1.177.734</b>	<b>1.277.734</b>
<b>Long-term liabilities</b>			<b>7</b>
	31/12 2018 total liabilities	Repayment next year	Debt outstanding after 5 years
Bank loan.....	48.317.745	5.223.540	20.894.160
	<b>48.317.745</b>	<b>5.223.540</b>	<b>20.894.160</b>

**NOTES**

	<b>Note</b>
<b>Contingencies etc.</b>	<b>8</b>
<b>Contingent liabilities</b> None.	
<b>Charges and securities</b> Vessel with a total carrying amount of DKK '000 57.115 has been pledged as security for bank debt at a total carrying amount of DKK '000 52.966.	<b>9</b>

## ACCOUNTING POLICIES

The Annual Report of HEBO Maritime Nordic ApS for 2017/18 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared with the following accounting principles.

### INCOME STATEMENT

#### Net revenue

Net revenue from sale of is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

#### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

#### Other external expenses

Other external expenses include cost of administration etc.

#### Financial income and expenses

Financial income and expenses include interest income and expenses as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

#### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

### BALANCE SHEET

#### Tangible fixed assets

Vessel are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Vessel.....	15 years	0-10 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

## ACCOUNTING POLICIES

### Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.