

---

# ***Stena Bulk Denmark ApS***

Tuborg Boulevard 12, 2., DK-2900 Hellerup

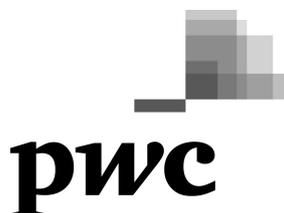
## **Annual Report for 1 January - 31 December 2018**

---

CVR No 33 58 05 41

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/5 2019

Morten Rich  
Chairman of the General  
Meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Company Information</b>	
Company Information	5
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	6
Balance Sheet 31 December	7
Statement of Changes in Equity	9
Notes to the Financial Statements	10

# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Stena Bulk Denmark ApS for the financial year 1 January - 31 December 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

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

Hellerup, 31 May 2019

## Executive Board

Morten Rich

Erik Hånell

## Board of Directors

Helén Charlotte Lindström

Sofia Elisabet Ericsson

Erik Hånell

Morten Rich

Johnny Schmølker

# Independent Auditor's Report

To the Shareholder of Stena Bulk Denmark ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Stena Bulk Denmark ApS for the financial year 1 January - 31 December 2018, 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.

## Independent Auditor's Report

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.
- 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 May 2019

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

René Otto Poulsen

State Authorised Public Accountant

mne26718

## Company Information

### **The Company**

Stena Bulk Denmark ApS  
Tuborg Boulevard 12, 2.  
DK-2900 Hellerup

CVR No: 33 58 05 41  
Financial period: 1 January - 31 December  
Municipality of reg. office: Gentofte

### **Board of Directors**

Helén Charlotte Lindström  
Sofia Elisabet Ericsson  
Erik Hånell  
Morten Rich  
Johnny Schmølker

### **Executive Board**

Morten Rich  
Erik Hånell

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Income Statement 1 January - 31 December

	Note	2018 TUSD	2017 TUSD
Other external expenses		-309	-58
<b>Gross profit/loss</b>		<b>-309</b>	<b>-58</b>
Income from investments in subsidiaries	2	-7.319	-855
Income from investments in associates	3	-4.518	-98
Financial income	4	906	714
Financial expenses	5	-1.298	-1.901
<b>Profit/loss before tax</b>		<b>-12.538</b>	<b>-2.198</b>
Tax on profit/loss for the year	6	444	-54
<b>Net profit/loss for the year</b>		<b>-12.094</b>	<b>-2.252</b>

## Distribution of profit

### Proposed distribution of profit

Reserve for net revaluation under the equity method	-6.443	-3.776
Retained earnings	-5.651	1.524
	<b>-12.094</b>	<b>-2.252</b>

# Balance Sheet 31 December

## Assets

	Note	2018 TUSD	2017 TUSD
Investments in subsidiaries	7	57.165	72.160
Investments in associates	8	0	0
<b>Fixed asset investments</b>		<b>57.165</b>	<b>72.160</b>
<b>Fixed assets</b>		<b>57.165</b>	<b>72.160</b>
Receivables from group enterprises		234	0
Receivables from associates		9.616	13.272
Other receivables		30	84
<b>Receivables</b>		<b>9.880</b>	<b>13.356</b>
<b>Cash at bank and in hand</b>		<b>74</b>	<b>79</b>
<b>Currents assets</b>		<b>9.954</b>	<b>13.435</b>
<b>Assets</b>		<b>67.119</b>	<b>85.595</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2018 TUSD	2017 TUSD
Share capital		95	95
Reserve for net revaluation under the equity method		1	6.443
Retained earnings		33.156	46.485
<b>Equity</b>		<b>33.252</b>	<b>53.023</b>
Payables to group enterprises		33.867	32.559
Other payables		0	13
<b>Short-term debt</b>		<b>33.867</b>	<b>32.572</b>
<b>Debt</b>		<b>33.867</b>	<b>32.572</b>
<b>Liabilities and equity</b>		<b>67.119</b>	<b>85.595</b>
Main activity	1		
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		
Accounting Policies	11		

## Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TUSD	TUSD	TUSD	TUSD
Equity at 1 January	95	6.444	46.484	53.023
Fair value adjustment of hedging instruments, subsidiaries	0	0	-7.677	-7.677
Net profit/loss for the year	0	-6.443	-5.651	-12.094
<b>Equity at 31 December</b>	<b>95</b>	<b>1</b>	<b>33.156</b>	<b>33.252</b>

# Notes to the Financial Statements

## 1 Main activity

Selskabets formål er at drive virksomhed med shipping og hermed forbundet virksomhed samt at besidde kapitalandele.

	<u>2018</u> TUSD	<u>2017</u> TUSD
<b>2 Income from investments in subsidiaries</b>		
Share of profits of subsidiaries	0	746
Share of losses of subsidiaries	-5.718	0
Amortisation of goodwill	-1.601	-1.601
	<u><b>-7.319</b></u>	<u><b>-855</b></u>
<b>3 Income from investments in associates</b>		
Share of profits of associates	0	108
Share of losses of associates	-4.518	-206
	<u><b>-4.518</b></u>	<u><b>-98</b></u>
<b>4 Financial income</b>		
Other financial income	893	714
Exchange adjustments	13	0
	<u><b>906</b></u>	<u><b>714</b></u>
<b>5 Financial expenses</b>		
Interest paid to group enterprises	1.297	668
Other financial expenses	0	1.233
Exchange loss	1	0
	<u><b>1.298</b></u>	<u><b>1.901</b></u>

## Notes to the Financial Statements

	2018 <u>TUSD</u>	2017 <u>TUSD</u>
<b>6 Tax on profit/loss for the year</b>		
Current tax for the year	-223	54
Adjustment of tax concerning previous years	-221	0
	<u><b>-444</b></u>	<u><b>54</b></u>
<b>7 Investments in subsidiaries</b>		
Cost at 1 January	59.287	0
Additions for the year	0	44.585
Transfers for the year	0	14.702
Cost at 31 December	<u>59.287</u>	<u>59.287</u>
Value adjustments at 1 January	12.873	0
Net profit/loss for the year	-5.717	746
Fair value adjustment of hedging instruments for the year	-7.677	-142
Amortisation of goodwill	-1.601	-1.601
Transfers for the year	0	13.870
Value adjustments at 31 December	<u>-2.122</u>	<u>12.873</u>
<b>Carrying amount at 31 December</b>	<u><b>57.165</b></u>	<u><b>72.160</b></u>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>12.811</u>	<u>14.413</u>

## Notes to the Financial Statements

	2018 <u>TUSD</u>	2017 <u>TUSD</u>
<b>8 Investments in associates</b>		
Cost at 1 January	0	14.702
Transfers for the year	<u>0</u>	<u>-14.702</u>
Cost at 31 December	<u>0</u>	<u>0</u>
Value adjustments at 1 January	-6.429	10.361
Net effect from merger and acquisition	0	-2.163
Net profit/loss for the year	-4.518	-97
Transfers for the year	<u>0</u>	<u>-14.530</u>
Value adjustments at 31 December	<u>-10.947</u>	<u>-6.429</u>
Equity investments with negative net asset value amortised over receivables	<u>10.947</u>	<u>6.429</u>
<b>Carrying amount at 31 December</b>	<u><b>0</b></u>	<u><b>0</b></u>

## 9 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The Company has placed an security for associated companies debt of USD 15,7 million.

The Company has given notice of support on going concern in investment companies.

# Notes to the Financial Statements

## 10 Related parties

### Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
Stena AB	Göteborg, Sverige

The Group Annual Report of Stena AB may be obtained at the following address: Stena AB, Masthuggskajen, SE-405 19 Göteborg, Sverige

# Notes to the Financial Statements

## 11 Accounting Policies

The Annual Report of Stena Bulk Denmark ApS for 2018 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.

Financial Statements for 2018 are presented in USD with exchange rate as at 31 December 2018 - USD 651,94 (31 December 2017 - USD 620,77).

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Stena AB, the Company has not prepared consolidated financial statements.

### 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.

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

## 11 Accounting Policies (continued)

### Income Statement

#### Other external expenses

Other external expenses comprise the year's expenses relating to the entity's core activities, including expenses relating to administration etc.

#### Income from investments in subsidiaries and associates

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

#### 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.

### Balance Sheet

#### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at USD 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Receivables

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

### Current asset investments

Current asset investments, which consist of unlisted shares, are measured at their fair values at the balance sheet date.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

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