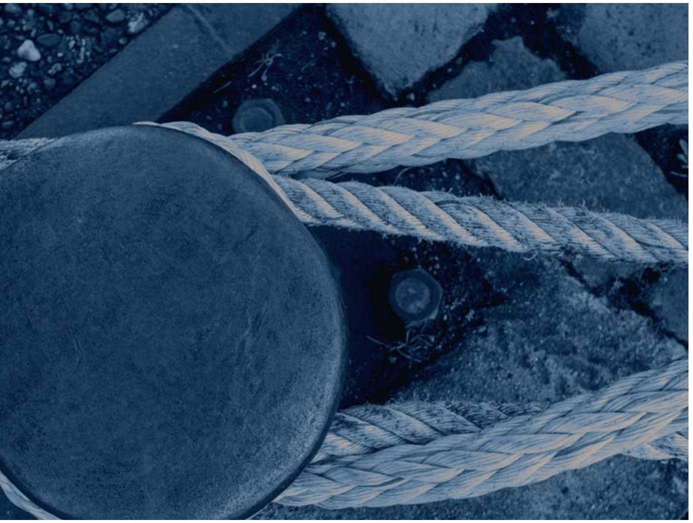


The Annual Report was presented and adopted at the Company's Annual General Meeting on 28 June 2019

Chairman of the meeting: Michael Keldsen

Financial year: 1 May 2018 – 30 April 2019

UNI-TANKERS

ANNUAL REPORT 2018/19

Turbinevej 10, 5500 Middelfart, Denmark · Phone +45 88 61 88 61 · uni-tankers.com · Company reg. no. 12 56 07 96

CONTENTS

"Our mission is to provide safe, reliable and efficient shipping solutions optimising value to our customers and shareholder."

36 VESSELS AT YEAR-END TOTALLING 292.092 DWT

Uni-Tankers is a leading tanker shipping company trading in the intermediate and small tanker segment. The company operates 36 owned and chartered vessels, and the fleet is one of the youngest in its core markets. Uni-Tankers strives to offer best-in-class service through technical superiority and an open, accommodating culture, which shows in the company's growing list of industry major clients.

78 SHOREBASED EMPLOYEES

Uni-Tankers is headquartered in the old maritime city of Middelfart and has offices in Aalborg, Istanbul, Mougins, and Houston.

24 YEAR HISTORY

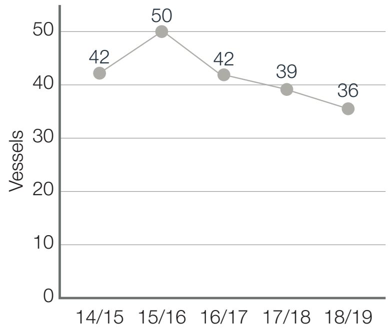
Uni-Tankers was founded in 1995 as a subsidiary of the global group United Shipping & Trading Company (USTC).

10.0 YEARS FLEET AVERAGE AGE

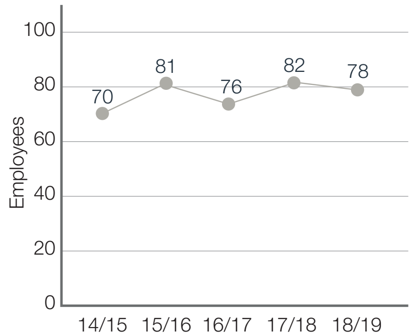
201.3 MILLION USD REVENUE

35% SOLVENCY AT YEAR-END

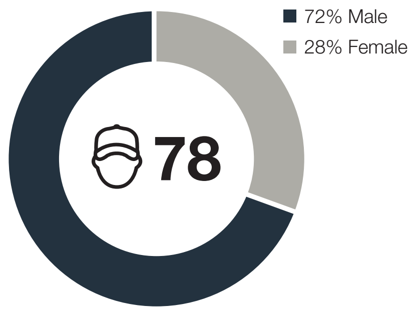
KEY FIGURES AND FINANCIAL RATIOS



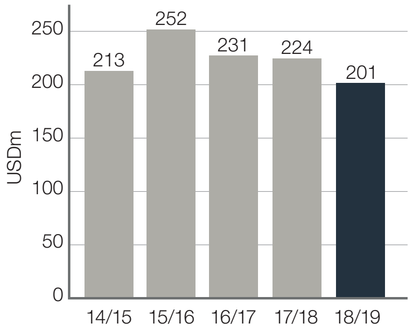
Fleet of owned and time chartered vessels



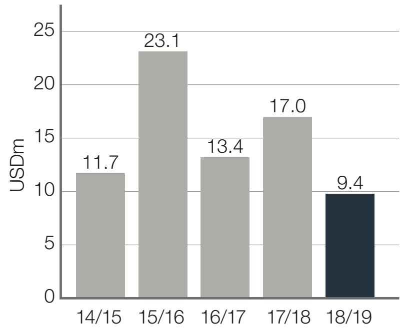
Shorebased employees



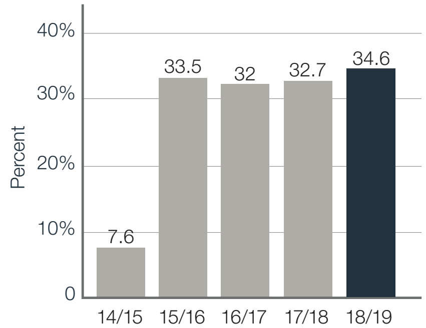
Shorebased employees Gender split 2018/19



Revenue



Cash flow from operating activities



Solvency ratio %

The Group has faced a very difficult market situation in 2018/19 (...) as a result, the first nine months turned out much worse than expected at the beginning of the financial year."

USD '000	**2018/19**	**2017/18**	**2016/17**	**2015/16**	**2014/15**
Key figures					
Income statement					
Revenue	201,304	223,901	231,387	251,968	212,770
EBITDA	18,222	21,165	16,135	34,435	18,391
Profit before financial income and expenses	(22,024)	1,350	(4,760)	16,205	1,769
Net financials	(7,696)	(4,581)	(5,544)	(5,726)	(7,387)
Profit before tax	(29,720)	(3,231)	(10,304)	10,479	(5,618)
Net profit for the year	(28,247)	(2,028)	(8,981)	12,137	(4,512)
Balance sheet					
Balance sheet total	213,118	250,240	259,308	276,226	263,668
Equity	73,692	81,727	82,914	92,651	20,074
Cash flows					
Cash flows from:					
- operating activities	9,373	17,042	13,424	23,108	11,688
- investing activities	(8,076)	(9,598)	(12,517)	(14,173)	(11,116)
hereof investment in property, plant and equipment and intangible assets	(8,076)	(9,598)	(12,537)	(14,191)	(11,135)
- financing activities	(8,000)	(8,000)	(8,000)	949	(900)
Change in cash and cash equivalents for the year	(6,703)	(557)	(7,093)	9,883	(328)
Employees	604	592	595	592	567
Ratios					
Gross margin	31.8%	29.7%	27.5%	33.3%	30.0%
Profit margin	(10.9%)	0.6%	(2.1%)	6.4%	0.8%
Return on equity	(36.3%)	(2.5%)	(10.2%)	21.5%	(20.2%)
Liquidity ratio	0.86	1.60	1.56	1.88	1.08
Solvency ratio	34.6%	32.7%	32.0%	33.5%	7.6%

For definitions, see under accounting policies (page 39)

The Uni-Tankers fleet is subject to continuous adjustments to ensure alignment with current market conditions and to meet customer expectations."

MANAGEMENT REVIEW

HIGHLIGHTS OF THE 2018/19 FINANCIAL YEAR

After improved activity levels and Time Charter Equivalent (TCE) earnings in 2017/18, the Uni-Tankers Group has faced a very difficult, turbulent market situation in 2018/19, characterised by low prices on the spot market, low-to-moderate overall activity, low freight rates, high bunkering prices, and market overcapacity, along with fierce competition stemming from these difficult trading conditions. As a result, the first nine months of the fiscal year, in particular, turned out much worse than expected at the beginning of the financial year.

During the fourth quarter, however, product tanker TCE rates increased gradually – in stark contrast to their levels during the rest of the financial year. This increase in TCE rates, combined with positive outcomes from the cost savings implemented after summer 2018, was reflected in a positive trend in the month-by-month results from Christmas until end of the financial year.

Revenue fell by 10 per cent and the net result for the 2018/19 financial year is a loss of USD 28.2 million, including a USD 21.5 million write-down on vessels, made in connection with the impairment test at the end of the financial year. It is management's opinion that the net book value of the vessels after this write-down is fair in regard to current international rates and the expectations associated with the IMO 2020 global low-sulphur regulations. This result is disappointing, and below our expectations prior to the beginning of the year.

As a direct consequence of the declining freight rates and the results at the beginning of the financial year, an extensive cost-cutting programme was launched in late 2018, aiming to restructure the entire cost base for the Group's operations. This programme included headcount reductions, savings on overheads/OPEX, and an increased focus on voyage expenses, including reductions in bunker consumption.

The positive effects of these measures have only made a limited contribution to the Group's financial result in 2018/19 – the full effect is expected to appear in the 2020/21 results.

It has been crucial to ensure that none of the savings resulting from cost-cutting projects jeopardise the stringent focus on the safety and quality of the Uni-Tankers fleet and the Group's operations as a whole.

REFINANCING AND OWNERSHIP

In order to provide the strongest possible basis for the Group's continued development and for implementing the strategic goals, Uni-Tankers underwent significant refinancing, completed in April 2019. This involved the injection of new capital from the owner and parent company A/S United Shipping & Trading Company (USTC) as well as a new, long-term financing plan.

This refinancing also meant that Uni-Tankers is once again wholly owned by USTC and Torben Østergaard-Nielsen, after a transitioning period in which Danske Bank was a co-owner.

STRATEGY

The Group is still engaged in an ongoing strategic transformation, designed to make it easier and more profitable to conduct operations in markets subject to volatile, turbulent conditions, featuring high costs, low prices and fierce competition. This makes business very unpredictable, and margins are extremely tight. Management anticipates that this state of affairs is likely to continue for the foreseeable future.

In order to deal with this situation, the Group is undertaking big changes and improvements in cost structures, administrative and operational procedures and key professional capabilities, focused on rapid response to customer requirements and more cost-effective operations with the right fleet profile.

One feature of the Group's strategic re-alignment lies in the "Closer to Customers" focus, aimed at making the Company more competitive by improving commercial performance as well as the Company's business relations with key

Per Ekmann, CEO

customers. This push has included multiple initiatives, including road shows and opening pop-up offices in major shipping hubs around the world.

Our focus on increasing the proportion of operations covered by Contracts of Affreightment (CoAs) in relation to operations based on the spot market has borne fruit. Our position in this at the end of the 2018/19 financial year was stronger than at the end of the previous fiscal period.

To maintain the Group's position as a top performer in safety rankings and comply with the most stringent demands of our core customers (major oil and chemical companies), the Group has also moved to stage 3 of the Tanker Management and Self-Assessment (TMSA) programme in the course of the 2018/19 financial year, in order to make additional improvements in safety management procedures.

EFFICIENCY, STREAMLINING AND DIGITALISATION

The 2018/19 financial year saw the Group maintaining its strategic focus on "Operational Excellence" to achieve greater efficiency and lower costs in all aspects of operations. These measures have included implementing new procedures for key account management accompanied by improved planning of vessel dry-docking and port turnarounds.

The rollout of the Group's business intelligence system is also making steady progress. A range of specific data structures and analyses from the business intelligence system for use in the Group's reporting procedures has been implemented to increase overall efficiency as well as improve data validity and transparency.

The business intelligence system also provides an excellent interface towards a wide range of external stakeholders. The investments made in these capabilities in previous financial years are now beginning to pay off, with significant benefits from these integrated systems.

We have also begun to introduce robotics to help automate key administrative processes. So far only in the Group's finance department. The next step is to make all departments aware about robotics and how automation can provide significant efficiency benefits by eliminating as many manual processes as possible.

ORGANISATION

As part of the Group's assessment of all strategic elements and operations – including a thorough review of all internal functions – organisational changes have been made at all levels to ensure the best possible utilisation of existing resources as well as to give the Company access to additional skills and capabilities.

Thomas Thomsen, CFO

As a result, former CEO Torben Andersen was replaced by the Group's own COO/CCO Per Ekmann, who served as interim CEO from 1 January 2019 to allow for the necessary executive search procedures, and then took over as new CEO of Uni-Tankers on 1 May 2019.

The Uni-Tankers executive board now comprises Per Ekmann (CEO) and Thomas Thomsen (CFO).

Peter Stokbro, who has extensive experience as Technical Director from various tanker owners, was hired on 15 March 2019 as Technical Director for combined operations, consisting of the technical department as well as procurement and logistics, crewing and the nautical department.

Other key functions have also been strengthened with new staff, sourced in-house and also recruited from elsewhere. As a result, the Company now has the organisation essential for implementing its strategy effectively.

ACTIVITY AND FLEET

2018/19 activity measured in ship days fell by 10% compared to 2017/18, amounting to 12,949 days.

The Uni-Tankers fleet is subject to continuous adjustment to ensure alignment with current market conditions and to meet customer expectations. At the end of the financial year, the fleet consisted of 36 vessels (39 vessels) – 17 owned and 19 time-chartered vessels. These 36 vessels have a total capacity of 292,092 dwt (318,722 dwt) and the average age is 10.0 years (8.59 years), which still places the Uni-Tankers fleet among the youngest in the Group's core markets.

Two newbuilds were added to the Uni-Tankers time-charter fleet after the end of the financial year. Uni-Tankers has a purchase option on both these vessels, which can be exercised when the market picks up, with an appropriate balance between supply and demand.

2019/20 OUTLOOK

The Group's results are strongly influenced by political turmoil and the general state of the global economy. The outlook for world trade continues to be volatile and unpredictable.

Furthermore, the imbalance between demand and supply due to overcapacity of the kinds of vessels operating in the Group's core business segments continues to bring a high degree of uncertainty to future development and management decisions. In addition, the fluctuations in oil prices may continue to have significant impact on the expected results.

However, the structural imbalance in the Group's core markets now seems to be decreasing, because the supply of newbuild tonnage is limited. Trading conditions in the worldwide freight market also improved gradually during the last quarter of the 2018/19 financial year, and the Group expects market conditions for transport of chemicals and oil products to improve still further during the 2019/20 financial year.

"(…) the Company now has the organisation essential for implementing its strategy effectively."

From the second half of 2019 onwards, the IMO 2020 global low-sulphur regulations are also expected to have a positive impact on the worldwide demand for transporting oil and oil products.

Further positive effects from cost-cutting programmes initiated in 2018 will generate full-year effects in 2019/20.

The Group therefore expects a major improvement in the 2019/20 financial results compared to 2018/19, including a small profit.

SUBSEQUENT EVENTS

There have not been any significant events affecting the assessments presented in the annual report since the date on which the balance sheet was prepared.

RISK MANAGEMENT

Market risks
The Group is exposed to the commercial risks that follow from the general freight market fluctuations. The commercial risk for the Group's vessels operated in a time charter equivalent (TCE) sharing pool is considered reduced compared to operating the vessels in the spot market. The focus is on maintaining a healthy balance between spot market business and covered business, via Contracts of Affreightment (CoA), time charters, etc.

The Group's fleet of 36 vessels consists of 47% vessels owned by the Group itself and 53% vessels under time charter. Because the time charter hire is fixed over the charter period, the Group is exposed to the commercial risk of a falling market as well as other commercial risks. The Group's policy is to mitigate such risks by balancing short-term, medium-term and long-term charter hire periods.

Foreign exchange risks
The Group uses the US dollar as functional currency in the Financial Statements. This means the Group is affected by transactions that take place mainly in EUR and DKK. The Group strives to match cash inflows and cash outflows in currencies other than USD.

Commodity risks
In addition to time charter expenses, bunker fuel is the main cost element affecting Direct Expenses, and thus the Group is heavily exposed to changes in oil prices.

The Group aims to mitigate such risks by passing on bunker price increases to customers. In the spot market, the freight level is adjusted to reflect the current bunker price level, to the extent possible. When entering into Contracts of Affreightment with customers, the bunker price risk is covered either by including bunker price clauses indexing freight rates with current bunker price levels or by hedging the exposure by use of financial derivatives.

Counterparty risk
The Group is not exposed to any material risks relating to individual, large customers or business partners. The Group's policy for assuming credit risks implies that all customers and business partners are subject to a current credit rating.

The Group's policy is to require payment before or upon cargo release. Payment after cargo release is only accepted for customers with a high credit rating and with whom the Group has a long-lasting good business relationship. The Group has not suffered any material losses from defaulting customers in 2018/19.

Interest rate risk
The Group's ship loans are in USD and carry floating interest rates. Management continuously monitors developments in floating interest rates.

STATUTORY STATEMENT ON CSR IN ACCORDANCE WITH SECTION 99A OF THE DANISH FINANCIAL STATEMENTS ACT

Business model
Uni-Tankers is a leading tanker shipping company trading in the intermediate and small tanker segment. The company operates 36 owned and chartered vessels, and the fleet is one of the youngest in its core markets. Uni-Tankers strives to offer best-in-class service through technical superiority and an open, accommodating culture, which shows in the company's growing list of industry major clients. Headquarters are based in Middelfart, Denmark, and commercial activities are in addition hereto carried out from local offices in Aalborg (Denmark),

“The 2018/19 financial year saw the Group maintaining its strategic focus on “Operational Excellence” to achieve greater efficiency and lower costs in all aspects of operations.”

Mougins (France), Istanbul (Turkey) and Houston (USA). The Middelfart based shipping conglomerate, A/S United Shipping & Trading Company, controls Uni-Tankers A/S.

Risk analyses

Uni-Tankers risk of influencing the environment, social- and employee relationships, human rights and anti-corruption, via its actions, are estimated to be limited. Uni-Tankers comply with all relevant legislation in the mentioned areas, as well as code of conducts set forth by various business partners. Nevertheless, Uni-Tankers is particularly aware of the risks related to transport associated emissions, spills, corruption, safety aboard vessels and working conditions of employees.

Environment

Uni-Tankers acknowledge the global challenges related to emissions of greenhouse gases. Moreover, the Company is aware of the risks related to the transportation of goods such as high-grade chemicals and refined oil.

Uni-Tankers continuously strive to reduce the environmental impact related to the Company's operations. Uni-Tankers constantly makes efforts to improve the efficiency of equipment and facilities; furthermore, it is the ambition of the Company to optimize shipping operations by minimizing the amounts of voyages as much as possible, and focus on effective routes.

The Company aims to ensure safe transportation of environmental hazardous goods via internal audits by ship inspectors, and external audits carried out by customers, flag states, port authorities, and business partners. Additionally, Uni-Tankers ensure safe transportation of goods continuous training of crewmembers in handling of hazardous goods.

Results related to environmental issues

In 2018/19, Uni-Tankers have conducted tests in order to reduce fuel consumption, by using a new control system on main engines and propulsion systems. Additionally, the Company has continued to use an external supplier of weather routing, in order to improve efficiency of transportation routes.

In 2018/19, Uni-Tankers have completed 3 installations of new Ballast Water Treatment systems and made initial preparations to do so on more vessels. Moreover, Uni-Tankers has continued throughout the year to apply only high quality anti-fouling paint thereby minimizing emissions.

Social- and employee relationships

Uni-Tankers is aware of the risk related to unsafe working conditions and the risk of accidents that may occur due to lack of knowledge and competencies amongst employees.

Uni-Tankers aim to provide safe, reliable and efficient shipping solutions and certify all vessels in accordance with ILO's Maritime Labor Conventions (MLC), in order to ensure the health, safety and working conditions of employees. Moreover, the Company strives to comply with all applicable international standards and conventions such as SOLAS, MARPOL and the International Maritime Organization (IMO).

The Company employee policies are elaborated in the Company's employee handbook.

Results concerning social- and employee relationships

Uni-Tankers have continued to ensure compliance with the ISM Code via internal audits as well as external audits carried out by the international Classification Society Bureau Veritas. Moreover, the Company has maintained its efforts to develop risk assessments and Tool Box Meetings prior to any new job, in order to ensure the safety of its employees.

In 2018, all vessels passed renewal MLC Audits by DNV GL, with zero deficiencies. Additionally, in 2018 Uni-Tankers reviewed its employee handbook as well as recruitment and on-boarding procedures, thereby improving conditions for employee retention and attraction.

Human rights

Uni-Tankers believes that all employees, irrespective of gender, nationality, skin color, and religion, must have equal career and management opportunities. The Company is aware that the industry in which the Company operate is characterized by a high degree of diversity, and therefore support an open-minded and unprejudiced culture which allows each individual employee to make the best possible use of his/her skills.

In order to ensure a reliable connection between the Company and crews, every vessel has a Designated Person Ashore (DPA), which provides the opportunity for crewmembers to bring concerns regarding working conditions to management. Furthermore, human rights are upheld by conformity to the requirements of the Maritime Labor Convention.

Results concerning human right

Uni-Tankers view of human rights is presented in the code of conduct of A/S United Shipping & Trading Company (USTC), which all employees are expected to live out. The code of conduct is at all times available for all employees. Moreover, in 2018/19 Uni-Tankers has continued to comply with the Company's non-discriminatory behavior in recruitment processes by maintaining focus on professional and personal skills as the foundations for decisions.

Anti-corruption

Uni-Tankers is aware that the Company operates in parts of the world where there is a higher risk of corruption. The Company is attentive to the risks of corruptive behaviour and the limitations that corruptive behaviour may have on Uni-Tankers ability to run an efficient business. Therefore, Uni-Tankers follows the code of conduct developed by USTC. Moreover, Uni-Tankers comply with supplier and customer code of conducts, in order to combat corruptive behaviour.

Uni-Tankers operates in full compliance with applicable competition and anti-corruption laws, as well as relevant rules and legislations in those countries where the Group operates. Additionally, it is underlined via the Company's Safety Management System, which employees are prohibited from directly or indirectly offering, giving, soliciting or receiving any form of bribe or kickback or other corrupt payment.

Results concerning anti-corruption

Throughout 2018/19, Uni-Tankers have continued to inform personnel of company policies regarding anti-corruption, both via Uni-Tanker's Maritime Standards Department and cruise seminars aimed at employees in high-risk areas. Additionally, Uni-Tankers have continued to conduct annual officer-seminars thereby ensuring key personnel is aware of and compliant with the companies anti-corruptive procedures and values.

REPORT ON THE GENDER REPRESENTATION IN MANAGEMENT, AS REQUIRED IN SECTION 99B OF THE DANISH FINANCIAL STATEMENTS ACT

Targets for the under-represented gender on the board of directors

At the present time, 12.5% of the members of the board elected by the shareholder's committee are female. The gender composition in the Company's board of directors did not change in 2018/19, because all the board members were re-elected at the annual general meeting. Uni-Tankers aims to have 35% female members of the board of directors in 2020.

To obtain this gender representation position, Uni-Tankers will make sure the under-represented gender is included on the list of candidates. However, the Company reserves the right to decide on the best- qualified candidate(s), regardless of gender.

Policy for the under-represented gender at other management levels

Group policy is that employees, irrespective of gender, must have equal career and management opportunities and that the Group will have an open-minded and unprejudiced company culture in which the individual employee can make the best possible use of his or her skills irrespective of gender. The Group's internal management training is open to anyone with the right skills, regardless of gender.

Efforts to increase the share of under-represented gender are disclosed in the financial statements of the parent company A/S United Shipping & Trading Company for 2018/19.


SAMSUNG
PHILIPS

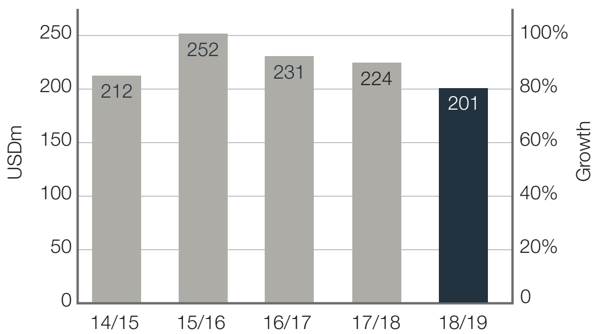
FINANCIAL REVIEW

Comparative figures for 2017/18 are stated in brackets.

Operating activities
Revenue decreased by 10% to USD 201.3 million (USD 223.9 million) due to a decrease in ship days of 10%.

Direct expenses decreased to USD 137.3 million (USD 157.4 million). Direct expenses consist of bunkers, port expenses and other voyage expenses and hire payments for time chartered vessels. The main reason for the decrease in direct expenses is decreased time charter hire expenses.

Gross profit for the year decreased by USD 2.5 million to USD 64.0 million (USD 66.5 million).



Revenue and Growth

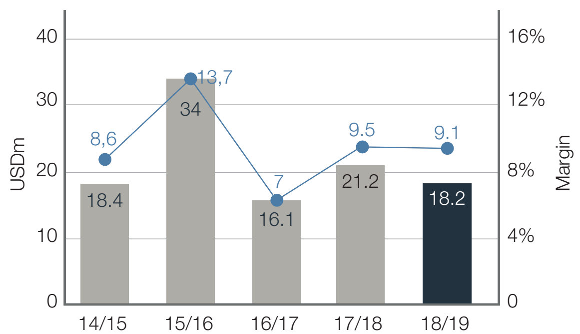
Staff and other external expenses increased to USD 45.8 million (USD 45.4 million), including USD 0.9 million one-off cost in relation to executed restructuring program.

Due to though market conditions, EBITDA decreased by USD 3.0 million to USD 18.2 million (USD 21.2 million).

Depreciation and amortisation increased to USD 40.2 million (USD 19.8 million) due to write-down of USD 21.5 million on vessels made in connection with the impairment test at the end of the financial year.

Net financial expenses amounted to USD 7.7 million (USD 4.6 million), primarily due to negative exchange rate adjustments and increased interest cost on vessel loans.

Net result after tax for 2018/19 was a loss of USD 28.2 million (loss of USD 2.0 million).



EBITDA

Balance sheet and capital position
At 30 April 2019, total assets amounted to USD 213.1 million (USD 250.2 million).

Vessels
Book value of vessels and equipment decreased to USD 169.8 million (USD 201.1 million) due to depreciations and write-down exceeding capital expenditure for dockings. Five of the Group's owned vessels have been dry-docked for repair works and statutory surveys, amounting in total investments of USD 8.0 million (USD 9.3 million), while ordinary depreciation amounted to USD 17.7 million (USD 18.8 million).

Brokers' vessel valuations have decreased slightly during the year and remain to reflect a lower net selling price of the fleet than book value. In management's opinion, such valuations do not give a true and fair view in a long-term perspective as the market for trade with vessels such as those owned by the Group remains to be not very active. In accordance with the accounting policies applied, an impairment test has been made as in previous years by comparing the broker valuations with the calculated value in use based on continued operation of the Group's fleet stated as the net present value of future estimated net freight income.

The value in use of vessels is heavily affected by the development in freight rates, which is still subject to material uncertainty. Deviations in freight rates according to the managements' estimates will thus affect the value in use in either positive or negative direction.

It means a lot to us that the ownership has once again been fully transferred to USTC (...) it gives Uni-Tankers a stamp of approval within the industry and a high degree of stability and ballast."

Management has made their best estimate over development in freight rates etc. and consider the assumptions reasonable.

The impairment test has resulted in need for write-down of USD 21.5 million on the Group's fleet.

Equity

At 30 April 2019, equity was USD 73.7 million (USD 81.7 million) reduced by loss for the year of USD 28.2 million and exchange rate adjustments of USD 0.1 million, increased by adjustment of hedging instruments of USD 0.3 million and capital injection of USD 20 million. The solvency rate at 30 April 2019 is 34.6% (32.7%).

Debt to credit institutions

Total debt to credit institutions decreased to USD 119.8 million (USD 147.5 million) following ordinary loan repayments and an extraordinary repayment of USD 20 million in connection with a refinancing at the end of April 2019.

Cash flow and financial resources

The Group's cash flow from operating activities decreased to USD 9.4 million (USD 17.0 million) reflecting the decrease in EBITDA, a negative change in working capital of USD 1.4 million (USD 0.2 million) and higher interest cost.

Investing activities affected cash flows negatively by USD 8.1 million (USD 9.6 million) primarily comprising docking expenses and other investments in vessels.

Financing activities has a negative cash effect of USD 8 million (USD 8 million).

Cash and cash equivalents decreased by USD 6.7 million in 2018/9 to USD 6.1 million (USD 12.8 million).

The new financing agreement with Danske Bank is effective until end of April 2026 and management considers the current capital resources and liquidity adequate for the continued operations and further development of the Group.

From left: Michael Keldsen, Torben Janholt, Peter Korsholm, Nina Østergaard Borris, Torben Østergaard-Nielsen, Morten H. Buchgreitz, Peter Frederiksen, Klaus Nyborg.

BOARD OF DIRECTORS

Michael Keldsen
Board member

Born in 1950.
Board member since 1991. Chairman of the board from 2004-2014.
Of Counsel, Gorrissen Federspiel law firm.

Special competences
In-depth knowledge and experience within corporate matters, as a member through the years of boards of directors in several Danish and foreign companies. Further, 40 years engagement in extensive business and legal matters related to Greenland, such as ship building, corporate structuring particularly within fisheries and infrastructure etc.

Other directorships
Member of the boards in A/S United Shipping & Trading Company, Bunker Holding A/S, SDK A/S, Iron Pump A/S, Nemco Machinery A/S, Autronica Fire & Security A/S, Stanley Nordic Aps and several foundations in Denmark and USA.

Education
LL.M. (Master of Law), Copenhagen.

Torben Janholt
Board member

Born in 1946.
Board member since 2006.
CEO Pioneer Marine.

Special competences
Extensive background and global experience within the shipping industry, primarily through his 28 years with J. Lauritzen A/S, the last 14 years as CEO, and as chairman of the Danish Shipowners' Association from 2005-2009.

Other directorships
Member of the boards in A/S United Shipping & Trading Company, Bunker Holding A/S, Torm PLC and Pioneer Marine Pty.

Education
Bachelor of Commerce supplemented with executive management training at IMD and IESE.

Peter Korsholm
Board member

Born in 1971.
Board member since 2014.
Professional board member and investor.

Special competences
Extensive experience from private equity and developing international companies, as well as mergers & acquisitions, financing and management of financial risks.

Other directorships
Chairman of the boards in Fitness World A/S and parent companies, Lomax A/S and parent companies, GDL Transport Holding AB, Nymølle Stenindustrier A/S and the Investment Committee of Zoscales Partners. Member of the boards in A/S United Shipping & Trading Company, Bunker Holding A/S, DSVM Invest A/S and certain subsidiaries, DANX Holding I A/S and certain subsidiaries, Day et Invest Aps and certain subsidiaries and Ørsted A/S.

Education
MBA from INSEAD, MSc from London School of Economics, BA from University of Copenhagen.

Nina Østergaard Borris
Board member

Born in 1983.
Board member since 2014.
Executive Assistant, Bunker Holding A/S.

Special competences
Company evaluations, mergers & acquisitions, financial due diligence, business restructuring, reorganisation, turnarounds and compliance.

Other directorships
Member of the boards in A/S United Shipping & Trading Company and SDK A/S.

Education
Master's degree in applied economics and finance (Cand. merc. AEF) supplemented by courses at Harvard University and London School of Economics and Political Science.

Torben Østergaard-Nielsen
Chairman

Born in 1954.
Board member since 1994.
Chairman since 2014.
CEO, founder and owner of the USTC Group (A/S United Shipping & Trading Company).

Special competences
Extensive background and global experience within the shipping industry.

Other directorships
Chairman and member of the boards in most USTC Group companies. Member of the boards in FAYARD Holding A/S, Fiberline Composites A/S, H.J. Hansen Holding A/S, Gottfred Petersen Holding A/S and Jensen's Food Group A/S. Chairman of the board in Middelfart Bycenter A/S and Selected Car Leasing A/S.

Other
German Honorary Consul since 1988, member of Corps Consulaire since 1988. Member of Danske Bank Erhvervsråd.

Morten H. Buchgreitz
Board member

Born in 1967.
Board member since 2014.
Member of the Group Executive Management of Ørsted A/S (Distribution and Customer Solutions).

Special competences
Extensive and in-depth knowledge and experience with economics and finance, including credit and risk management.

Other directorships
Chairman and member of the boards in several Ørsted Group companies. Vice Chairman of the board in Danish Energy Association. Member of the boards in A/S United Shipping & Trading Company and Bunker Holding A/S.

Education
MSc in Business Administration and Computer Science.

Peter Frederiksen
Board member

Born in 1963.
Board member since 2012.
Professional board member.

Special competences
Extensive experience within the shipping industry from leading global positions in liner shipping at A.P. Møller Mærsk for more than 25 years and Hamburg Süd for 9 years. Broad management and strategy skills as well as financial experience.

Other directorships
Chairman of the boards in Sund & Bælt Holding A/S, A/S Storebælt, A/S Øresund, Oeresundsbro Konsortiet, Femern A/S and A/S Femern Landanlæg. Member of the boards in A/S United Shipping & Trading Company and Bunker Holding A/S.

Education
Shipping education at A.P. Møller Mærsk supplemented with management training at INSEAD and Cornell University.

Klaus Nyborg
Vice Chairman

Born in 1963.
Vice Chairman since 2012
Board management and investment.

Special competences
Global experience with management of listed shipping companies incl. CEO of Pacific Basin Shipping, Hong Kong. Strategic and financial expertise as well as in-depth knowledge of risk management.

Other directorships
Chairman of the boards in A/S United Shipping & Trading Company, Norden A/S and Bawat A/S. Vice Chairman of the boards in Bunker Holding A/S and DFDS A/S. Member of the boards in Karen og Poul F. Hansens Familiefond, X- Press Feeders Ltd. and Moscord Pte Ltd.

Education
Msc in Business & Law, Copenhagen Business School supplemented with management courses at London Business School and IMD.

"*The structural imbalance in the Group's core markets now seems to be decreasing and the Group expects market conditions for transport of chemicals and oil products to improve still further during the 2019/20 financial year.*"

FINANCIAL STATEMENTS

INCOME STATEMENT
1 MAY - 30 APRIL

		Group		Parent Company	
USD '000	Note	2018/19	2017/18	2018/19	2017/18
Revenue	1	**201,304**	**223,901**	**136,910**	**26,219**
Direct expenses		(137,282)	(157,365)	(108,282)	0
Gross profit		**64,022**	**66,536**	**28,628**	**26,219**
Staff expenses	2	(29,696)	(28,523)	(27,067)	(23,560)
Other external expenses		(16,104)	(16,848)	(3,354)	(2,584)
Profit/loss before depreciation, etc, (EBITDA)		**18,222**	**21,165**	**(1,793)**	**75**
Depreciation and amortisation	3	(40,246)	(19,815)	(367)	(381)
Profit/loss before financial income and expenses		**(22,024)**	**1,350**	**(2,160)**	**(306)**
Result in subsidiaries		-	-	(28,592)	(3,366)
Financial income	4	210	1,281	3,016	2,389
Financial expenses	5	(7,906)	(5,862)	(6)	(197)
Profit/loss before tax		**(29,720)**	**(3,231)**	**(27,742)**	**(1,480)**
Corporation tax	6	1,473	1,203	(505)	(548)
Net profit/loss for the year		**(28,247)**	**(2,028)**	**(28,247)**	**(2,028)**
Distribution of profit/loss	7				

BALANCE SHEET AT 30 APRIL

Assets

USD '000	Note	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
Goodwill		1,570	2,159	0	0
Software		464	712	464	712
Intangible assets	8	**2,034**	**2,871**	**464**	**712**
Vessels and equipment		169,826	201,082	0	0
Fixtures and fittings, tools and equipment		42	119	9	35
Leasehold improvements		51	65	48	55
Prepayments		57	57	57	57
Property, plant and equipment	9	**169,976**	**201,323**	**114**	**147**
Investments in subsidiaries		0	0	10,545	17,956
Fixed asset investments	10	**0**	**0**	**10,545**	**17,956**
Fixed assets		**172,010**	**204,194**	**11,123**	**18,815**
Inventories		3,400	3,722	0	0
Inventories		**3,400**	**3,722**	**0**	**0**
Trade receivables		10,521	11,826	8,595	1
Receivables from group enterprises		1,483	1,860	66,389	60,462
Other receivables		2,035	1,908	305	318
Corporation tax	11	8,744	7,870	0	0
Prepayments		8,841	6,073	342	144
Receivables		**31,624**	**29,537**	**75,631**	**60,925**
Cash and cash equivalents		**6,084**	**12,787**	**3,124**	**7,276**
Current assets		**41,108**	**46,046**	**78,755**	**68,201**
Total assets		**213,118**	**250,240**	**89,878**	**87,016**

BALANCE SHEET AT 30 APRIL

Equity and liabilities

		Group		Parent Company	
USD ‘000	Note	**2019**	**2018**	**2019**	**2018**
Share capital		10,990	10,990	10,990	10,990
Retained earnings		62,702	70,737	62,702	70,737
Equity		**73,692**	**81,727**	**73,692**	**81,727**
Other provisions		0	0	905	436
Provisions		**0**	**0**	**905**	**436**
Credit institutions	12	112,134	139,820	0	0
Long-term liabilities		**112,134**	**139,820**	**0**	**0**
Credit institutions	12	7,686	7,686	0	0
Trade payables		13,947	11,199	900	349
Payables to group enterprises		1,488	6,268	11,781	1,486
Corporation tax		10	10	1,613	1,208
Other payables		3,245	2,933	987	1,810
Deferred income		916	597	0	0
Short-term liabilities		**27,292**	**28,693**	**15,281**	**4,853**
Liabilities		**139,426**	**168,513**	**15,281**	**4,853**
Total equity and liabilities		**213,118**	**250,240**	**89,878**	**87,016**
Deferred tax	13				
Derivative financial instruments	14				
Security and contractual obligations	15				
Transactions with related parties	16				
Fee to auditors appointed at the general meeting	17				
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Accounting Policy	19				

STATEMENT OF CHANGES IN EQUITY

2018/19	Group			Parent Company		
USD '000	Share capital	Retained earnings	Total	Share capital	Retained earnings	Total
Equity at 1 May	10,990	70,737	81,727	10,990	70,737	81,727
Capital increase	0	20,000	20,000	0	20,000	20,000
Exchange rate adjustments	0	(69)	(69)	0	(69)	(69)
Fair value adjustment of hedging instruments	0	281	281	0	281	281
Net loss for the year	0	(28,247)	(28,247)	0	(28,247)	(28,247)
Equity at 30 April	**10,990**	**62,702**	**73,692**	**10,990**	**62,702**	**73,692**

2017/18	Group			Parent Company		
USD '000	Share capital	Retained earnings	Total	Share capital	Retained earnings	Total
Equity at 1 May	10,990	71,924	82,914	10,990	71,924	82,914
Exchange rate adjustments	0	(15)	(15)	0	(15)	(15)
Fair value adjustment of hedging instruments	0	856	856	0	856	856
Net loss for the year	0	(2,028)	(2,028)	0	(2,028)	(2,028)
Equity at 30 April	**10,990**	**70,737**	**81,727**	**10,990**	**70,737**	**81,727**

CASH FLOW STATEMENT
1 MAY - 30 APRIL

Group

USD '000	2018/19	2017/18
Loss for the year before tax	(29,720)	(3,231)
Reversal of depreciation, amortisation, write-down, profit from sale of assets, and exchange rate adjustments for the year	40,190	19,805
Amortisation of loan costs	315	312
Changes in inventories	323	(42)
Changes in receivables	(607)	(454)
Changes in trade payables and other debt, etc	(1,120)	686
Pension obligations	0	(27)
Cash flow from ordinary activities	**9,381**	**17,049**
Corporation tax paid	(8)	(8)
Cash flow from operating activities	**9,373**	**17,042**
Purchase of property, plant and equipment	(8,002)	(9,374)
Purchase of intangible assets	(74)	(224)
Cash flow from investing activities	**(8,076)**	**(9,598)**
Capital increase	20,000	0
Repayment/raising of loans from credit institutions (net)	(28,000)	(8,000)
Cash flow from financing activities	**(8,000)**	**(8,000)**
Changes in cash and cash equivalents	**(6,703)**	**(557)**
Cash and cash equivalents at 1 May	12,787	13,343
Cash and cash equivalents at 30 April	**6,084**	**12,787**

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. Segment information

The Group's activities are considered one segment.

2. Staff expenses

USD '000	Group 2018/19	Group 2017/18	Parent Company 2018/19	Parent Company 2017/18
Rented crew	(8,633)	(8,455)	(8,633)	(8,455)
Wages and salaries	(13,655)	(13,191)	(11,236)	(8,988)
Pensions	(846)	(854)	(768)	(631)
Social security expenses	(798)	(867)	(347)	(317)
Other staff expenses	(5,764)	(5,156)	(6,083)	(5,169)
	(29,696)	**(28,523)**	**(27,067)**	**(23,560)**
Average number of employees The figures include rented crew on vessels.	604	592	576	550
Salaries and remuneration to the Executives and Board of Directors	793	499	722	414

Staff expences include the salaries of crew in the Parent Company's subsidiaries.
These expences are reinvoiced to the ship owning companies and recognised as revenue for the parent company.

3. Special items

Relating to the impairment test at the end of the financial year a USD 21.5 million write-down on vessels has been included in the profit and loss.

NOTES TO THE FINANCIAL STATEMENTS

4. Financial income

USD '000	Group 2018/19	Group 2017/18	Parent Company 2018/19	Parent Company 2017/18
Intercompany interest income	0	0	2,832	2,319
Exchange rate adjustments	9	1,182	0	0
Other financial income	201	99	184	70
	210	**1,281**	**3,016**	**2,389**

5. Financial expenses

USD '000	Group 2018/19	Group 2017/18	Parent Company 2018/19	Parent Company 2017/18
Intercompany interest expenses	0	0	0	(20)
Exchange rate adjustments	0	(164)	0	(164)
Other financial expenses	(7,906)	(5,698)	(6)	(13)
	(7,906)	**(5,862)**	**(6)**	**(197)**

6. Corporation tax

USD '000	Group 2018/19	Group 2017/18	Parent Company 2018/19	Parent Company 2017/18
Current tax for the year	1,473	1,194	(505)	(548)
Adjustment of current tax re. previous years	0	9	0	0
	1,473	**1,203**	**(505)**	**(548)**

7. Distribution of profit/loss

USD '000	Group 2018/19	Group 2017/18	Parent Company 2018/19	Parent Company 2017/18
Proposed distribution of loss:				
Retained earnings	(28,247)	(2,028)	(28,247)	(2,028)
	(28,247)	**(2,028)**	**(28,247)**	**(2,028)**

NOTES TO THE FINANCIAL STATEMENTS

8. Intangible assets

USD '000	Goodwill	Software
Group		
Cost at 1 May	5,887	2,025
Exchange rate adjustments	0	(15)
Additions for the year	0	74
Cost at 30 April	**5,887**	**2,083**
Depreciation and amortisation at 1 May	3,728	1,313
Exchange rate adjustments	0	(15)
Depreciation and amortisation for the year	589	321
Depreciation and amortisation at 30 April	**4,317**	**1,619**
Carrying amount at 30 April	**1,570**	**464**
Parent Company		
Cost at 1 May	-	1,935
Additions for the year	-	73
Cost at 30 April	**-**	**2,008**
Depreciation at 1 May	-	1,223
Depreciation for the year	-	321
Depreciation at 30 April	**-**	**1,544**
Carrying amount at 30 April	**-**	**464**

NOTES TO THE FINANCIAL STATEMENTS

9. Property, plant and equipment

USD '000	Vessels and equipment	Fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments
Group				
Cost at 1 May	302,797	1,166	192	57
Exchange rate adjustments	0	(6)	(13)	0
Additions for the year	7,991	0	11	0
Disposals for the year	(7,002)	0	0	0
Cost at 30 April	**303,786**	**1,160**	**190**	**57**
Depreciation at 1 May	101,715	1047	127	0
Exchange rate adjustments	0	7	(10)	0
Depreciation for the year	17,747	64	22	0
Impairment losses	21,500	0	0	0
Reversed depreciation on disposals for the year	(7,002)	0	0	0
Depreciation at 30 April	**133,960**	**1,118**	**139**	**0**
Carrying amount at 30 April	**169,826**	**42**	**51**	**57**
Parent Company				
Cost at 1 May	0	601	139	57
Additions for the year	0	0	11	0
Cost at 30 April	**0**	**601**	**150**	**57**
Depreciation at 1 May	0	566	84	0
Depreciation for the year	0	26	18	0
Depreciation at 30 April	**0**	**592**	**102**	**0**
Carrying amount at 30 April	**0**	**9**	**48**	**57**

NOTES TO THE FINANCIAL STATEMENTS

10. Fixed asset investments

USD ‘000

	Investments in subsidiaries
Parent Company	
Cost at 1 May	97,977
Additions for the year	20,500
Cost at 30 April	**118,477**
Value adjustments 1 May	(80,021)
Exchange rate adjustments	(69)
Net loss for the year	(28,003)
Fair value adjustment of hedging instruments for the year	281
Amortisation of goodwill	(589)
Equity investments with negative net asset value transferred to provisions	469
Value adjustments 30 April	**(107,932)**
Carrying amount at 30 April	**10,545**
Remaining positive difference included in the above carrying amount	1,570

Investments in subsidiaries are specified as follows:

Name	Place of reg. office	Ownership share
Uni-Chartering A/S	Middelfart	100%
Uni-Tankers (Gibraltar) Ltd.	Gibraltar	100%
Uni-Tankers France EURL	Mougins	100%
UT Latam A/S	Middelfart	70%
Uni-Tankers M/T Jutlandia Swan ApS	Middelfart	100%
Uni-Tankers M/T Selandia Swan ApS	Middelfart	100%
Uni-Tankers M/T Fionia Swan ApS	Middelfart	100%
Uni-Tankers M/T Erria Swan ApS	Middelfart	100%
Uni-Tankers M/T Mona Swan ApS	Middelfart	100%
Uni-Tankers M/T Tasing Swan ApS	Middelfart	100%
Uni-Tankers M/T Boringia Swan ApS	Middelfart	100%
Uni-Tankers M/T Anhout Swan ApS	Middelfart	100%

NOTES TO THE FINANCIAL STATEMENTS

10. Fixed asset investments (continued)

Name	Place of reg. office	Ownership share
Uni-Tankers M/T Lessow Swan ApS	Middelfart	100%
Uni-Tankers M/T Falstria Swan ApS	Middelfart	100%
Uni-Tankers M/T Amak Swan ApS	Middelfart	100%
Uni-Tankers M/T Alsia Swan ApS	Middelfart	100%
Uni-Tankers M/T Samus Swan ApS	Middelfart	100%
Uni-Tankers M/T Feo Swan ApS	Middelfart	100%
Uni-Tankers M/T Lillo Swan ApS	Middelfart	100%
Uni-Tankers M/T Fenno Swan ApS	Middelfart	100%
Uni-Tankers M/T Endelo Swan ApS	Middelfart	100%
Uni-Tankers M/T Fandia Swan ApS	Middelfart	100%
Uni-Tankers M/T Mandia Swan ApS	Middelfart	100%

11. Corporation tax, Group

USD ‘000	2018/19	2017/18
Corporate tax, current year	874	1,853
Corporate tax, joint taxation prior years	7,870	6,017
	8,744	**7,870**

12. Credit institutions

Long-term part of installments falling due within 1 year are recognised as short-term liabilities in the balance sheet.

13. Deferred tax

Tax on transitional balance and equalisation balance relating to vessels under the Danish tonnage tax scheme amounts to USD 3,104k.

NOTES TO THE FINANCIAL STATEMENTS

14. Derivative financial instruments

The Group has entered into forward contracts to ensure future purchase of bunkers for servicing fixed freight contracts. Compared to trading prices at the balance date, the contracts have a positive fair value of USD 896k. Adjustments related to the fair market value are recognised in equity. The contracts have a maturity of 1-9 months.

15. Security and contractual obligations

Group

Security
The Group has provided security in vessels and equipment for debt to credit institutions of USD 120,450k. At the balance sheet date, the carrying amount of the assets provided as security was USD 169,826k.

Rental and lease obligations
The Group has concluded contracts with the following obligations:

- Tenancy contract with group enterprises with a total obligation of USD 983k
- Operating leases with a total obligation of USD 534k
- Time charter contracts with a total obligation of USD 48,970k.

The obligations are due according to the following order:

USD '000	Within 1 year	Between 1 and 5 years	After 5 years
Tenancy contracts with external parties	18	0	0
Tenancy contracts with group enterprises	278	687	0
Operating leases	209	325	0
Time charter contracts	48,090	881	0
	48,595	**1,893**	**0**

NOTES TO THE FINANCIAL STATEMENTS

15. Security and contractual obligations (continued)

Other obligations
The Danish Group enterprises are jointly and severally liable for tax on the consolidated jointly taxed income etc. The total corporation tax payable is shown in the Annual Report of Selfinvest ApS, which is the management company of the joint taxation. The Danish Group enterprises are moreover jointly and severally liable for Danish withholding taxes and VAT. Any subsequent adjustments of corporation tax, withholding taxes and VAT may imply that the Company is liable for a higher amount.

Parent Company

Security
The Company has issued a joint and several guarantee of USD 120,450k in respect of the obligations of group enterprises toward credit institutions. At the balance sheet date, the obligations of group enterprises amounted to USD 120,450k.

Investments in subsidiaries have been provided as security for loans from credit institutions. At the balance sheet date, the carrying amount of the assets provided as security was USD 10,545k.

Rental and lease obligations
The Company has concluded an operating lease with a total obligation of USD 469k and a tenancy contract with group enterprises with a total obligation of USD 854k.

USD '000	Within 1 year	Between 1 and 5 years	After 5 years
Tenancy contracts with group enterprises	206	648	0
Operating leases	172	297	0
	378	**945**	**0**

NOTES TO THE FINANCIAL STATEMENTS

16. Transactions with related parties

Related parties comprise the Board of Directors, the Executive Board and senior executives in the group enterprises as well as companies in which these persons have significant interests.

With reference to section 98 C (7) of the Danish Financial Statements Act related party transactions details are not disclosed.

The Company is included in the Consolidated Financial Statements of the immediate Parent Company, A/S United Shipping & Trading Company.

Controlling interest is exercised through the Company's immediate Parent Company, A/S United Shipping & Trading Company. The Company's ultimate Parent Company, which prepares Consolidated Financial Statements is Selfinvest ApS Turbinevej 10, 5500 Middelfart, in which Torben Østergaard-Nielsen, CEO, exercises control.

17. Fee to auditors appointed at the general meeting

USD '000	2018/19	2017/18
Group		
PricewaterhouseCoopers		
Fee for statutory audit	(86)	(83)
Assurance assignments	0	0
Tax services	(7)	(11)
Non-audit services	(98)	(118)
	(191)	**(212)**
MooreStephens		
Fee for statutory audit	(5)	(6)
Non-audit services	(9)	(12)
	(14)	**(18)**

18. Subsequent events

No significant events affecting the assessment of the Annual Report have occured after the balance sheet date.

"The Group expects a major improvement in the 2019/20 financial results compared to 2018/19 – including a small profit."

19. Accounting policies and definitions

Basis of Preparation

The Annual Report of Uni-Tankers A/S for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2018/19 is presented in USD thousands. At 30 April 2019 the year-end exchange rate for USD/DKK was 6.65. The comparative figures are translated at the historical year-end exchange rate which as of 30 April 2018 was 6.17.

Recognition and measurement

The Financial Statements have been prepared based on the historic cost principle.

Revenues are recognised in the income statement as earned, and all expenses incurred to achieve the earnings for the year are deducted. Expenses include operating expenses, depreciation, amortisation, impairment losses and provisions as well as changes due to changed accounting estimates. Furthermore, value adjustments of financial assets and liabilities measured at fair value 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 Group, 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 Group, 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.

Recognition and measurement take into account profits, losses and risks occurring before the presentation of the Annual Report, which relate to affairs and conditions existing at the balance sheet date.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

USD is used as the measurement currency. All other currencies are regarded as foreign currencies.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Uni-Tankers A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or otherwise exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

Newly acquired or newly established enterprises are included in the Consolidated Financial Statements from the time of acquisition. The difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after fair value adjustment of the individual assets and liabilities (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Positive differences (goodwill) are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life; however, not exceeding 20 years.

Changes in the purchase price after takeover result in adjustment of the acquisition value of goodwill. Moreover, goodwill is adjusted where, at the time of takeover, the fair value of the net assets taken over turns out to differ from the value previously assumed. Goodwill is adjusted until the end of the financial year following the year of acquisition.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group. The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments relating to operating leases are recognised in the income statement on a straight line basis over the lease period.

Translation policies
Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses 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.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the paragraph "Hedge accounting".

Upon recognition of financial statements of foreign group enterprises and associates, income statement items are translated into USD at average exchange rates and balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on this translation are recognised directly in equity.

Derivative financial instruments
Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are recognised in "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualified as hedge accounting, see below.

Hedge accounting
Fair value hedges
Changes in the fair values of derivative financial instruments that are designated and qualified as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability.

Hedges of future assets or liabilities
Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised directly in retained earnings under equity. If the hedged transaction results in an asset or a liability, the amount is transferred from equity to the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Income statement
Revenue
Revenue is recognised in the income statement when the sale has been completed. This is considered the case when:

» delivery has been made before year end
» a binding sales agreement has been made
» the sales price has been determined
» payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and duties.

Revenue includes income from shipowning activities, which is cut off and recognised over the duration of the voyages.

Direct expenses
Direct expenses include bunkers and other voyage expenses, as well as charter hire expenses.

Other income/other expenses
Other income/other expenses includes profit/loss from sales of assets.

Other external expenses
Other external expenses include expenses for the repair and maintenance of vessels as well as office expenses etc.

Staff expenses
Staff expenses comprise wages and salaries as well as payroll expenses.

Income from investments in subsidiaries
The item "Income from investments in subsidiaries" in the income statement of the Parent Company includes the proportionate share of net profit for the year less goodwill amortisation.

Financial income and expenses
Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange gains and losses and gains and losses on securities, amortisation of loan costs, as well as changes in the fair value of financial instruments.

Tax on profit/loss for the year
Tax for the year consists of current tax for the year and adjustment of 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 Group's current tax is computed according to the provisions of the Danish Tonnage Tax Act. On the basis of the Group's planned shipowning activities, the Tonnage Tax Scheme does not imply recapture of depreciation, and therefore deferred tax for these companies is only disclosed in the note "Deferred tax".

The Group is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance sheet

Intangible assets
Intangible assets are measured at cost less accumulated amortisation.

The period of amortisation of goodwill is longest for enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Amortisation based on cost is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Goodwill .... 10 years
Software .... 5 years

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and 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.

Interest paid on loans raised for indirect or direct financing or production of property, plant and equipment is recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets:

Fixtures and fittings, tools and equipment .... 3-10 years
Vessels (newbuilding) .... 25 years
Vessels (not newbuilding) .... up to 25 years
Leasehold improvements .... lease term

Scrap values are yearly reassessed.

Vessels and equipment are measured at cost less accumulated depreciation calculated on a straight-line basis over the period until either the end of the expected useful life or the time of expected phasing out. At the establishment of expected useful life, the condition and age of the vessels are considered.

The scrap values of vessels are determined as the vessels' selling value after 25 years of use as estimated by external shipbroker.

Docking expenses are added to the carrying amounts of the vessels at the time of payment and are expensed on a straight-line basis over the expected useful lives of the improvements, on average 2.5 years.

Gains and losses on sale of property, plant and equipment are recognised in the income statement under other income and other expenses, respectively.

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, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use.

The recoverable amount of vessels has been determined on the basis of the value in use as the value in use is considered higher than the fair value.

The value in use is calculated by means of cash flow estimates of the expected useful life of the vessel based on approved budgets for the coming financial year as well as the following estimated development. A discount rate of 8% p.a. after tax and exchange rates at the level of the actual rates of exchange at 30 April 2018 have been applied.

The most material assumptions applied at the calculation of the value in use are as follows:

» cash flows are based on earnings over the remaining life of the vessel based on the vessel's expected total life, cf accounting policies applied

» freight rates for the coming years are estimated based on experience, knowledge of the market and input from the Group's business partners. As from the financial year 2019/20, an annual increase in freight rates corresponding to the market having reached the expected level in 2022/23 is estimated. Hereafter, an annual increase in freight rates corresponding to 2.5% is estimated

» operating and administrative expenses are based on experience and expectation of the general development in expenses. As from 2022/23, expenses are expected to increase by 2.5% annually

» docking expenses are estimated based on experience and already planned dockings. Docking expenses are expected to increase by 2.5% annually.

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

The item "Investments in subsidiaries" in the balance sheet of the Parent Company includes the proportionate ownership share of the net asset value of the enterprises calculated under the accounting policies of the Parent Company, adjusted for unrealised intercompany profits or losses and with addition or deduction of goodwill.

The total net revaluation of investments in subsidiaries is transferred in the Parent Company 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.

Gains or losses on disposal or liquidation of subsidiaries are calculated as the difference between the sales sum or the liquidation amount and the carrying amount of net assets at the time of sale or liquidation, including unamortised goodwill and expected sales or liquidation expenses. Gains or losses are recognised in the income statement.

Inventories
Inventories are measured at cost under the FIFO method. Inventories amoung other comprise bunkers, lubrication oil and provision for own use.

The cost of inventories for which the fair values are effectively hedged by a financial transaction is adjusted for changes in the fair value of the hedged risk.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments
Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions
Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities
Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and own vessels under the Tonnage Tax Scheme.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities
Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year and adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset and presented as a net item if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts
Fixed-interest loans from credit institutions are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Deferred income
Deferred income comprise payments recieved in respect of income in subsequent years.

Cash flow statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

Cash flows from operating activities
Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities
Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities
Cash flows from financing activities comprise cash flows from the raising and repayment of short- and long-term debt as well as payment of dividend to shareholders.

The cash flow statement cannot be immediately derived from the published financial records.

Definition of financial ratios

$$\text{Gross margin} = \frac{\text{Gross profit x 100}}{\text{Revenue}}$$

$$\text{Profit margin} = \frac{\text{Profit before financials x 100}}{\text{Revenue}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$

$$\text{Liquidity ratio} = \frac{\text{Current assets}}{\text{Short-term debt}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end x 100}}{\text{Total assets}}$$

MANAGEMENT'S STATEMENT

SIGNATURES

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Uni-Tankers A/S for the financial year 1 May 2018 - 30 April 2019.

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

In our opinion, the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Parent Company and the Group at 30 April 2019 and of the results of the Parent Company and Group operations and consolidated cash flows for 2018/19.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Middelfart, 28 June 2019

Executive Board

Per Ekmann

Thomas Thomsen

Board of Directors

Torben Østergaard-Nielsen
Chairman

Klaus Nyborg
Deputy Chairman

Michael Keldsen

Torben Janholt

Peter Frederiksen

Nina Østergaard Borris

Peter Korsholm

Morten Hultberg Buchgreitz

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28 June 2019.

Chairman of the meeting

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF UNI-TANKERS A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 April 2019, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 May 2018 - 30 April 2019 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Uni-Tankers A/S for the financial year 1 May 2018 - 30 April 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the financial statements
Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent 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 eco-

nomic 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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

» obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

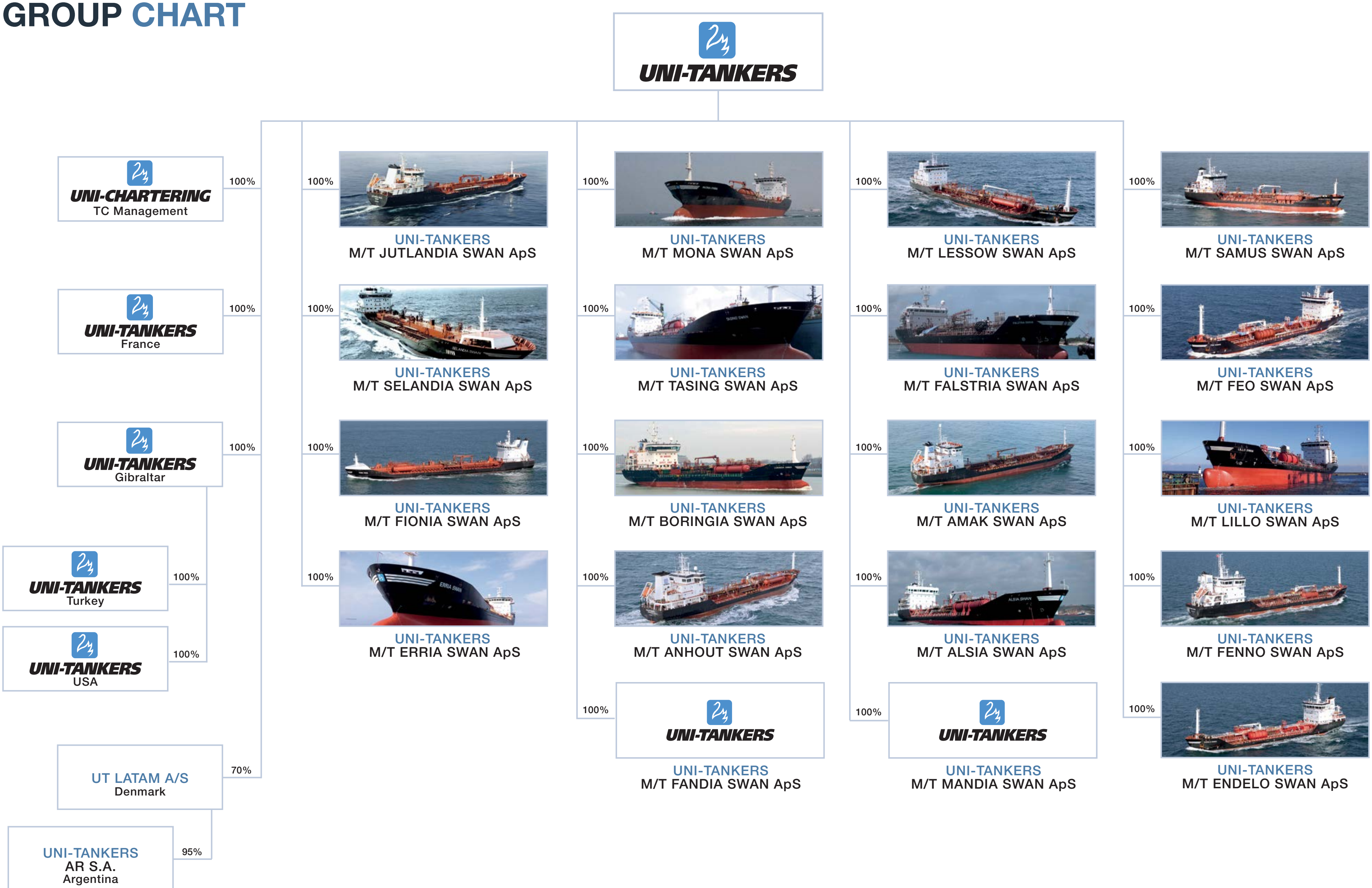
Trekantområdet, 28 June 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Company reg. no.: 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant
mne30224

Henrik Forthoft Lind
State Authorised Public Accountant
mne34169

GROUP CHART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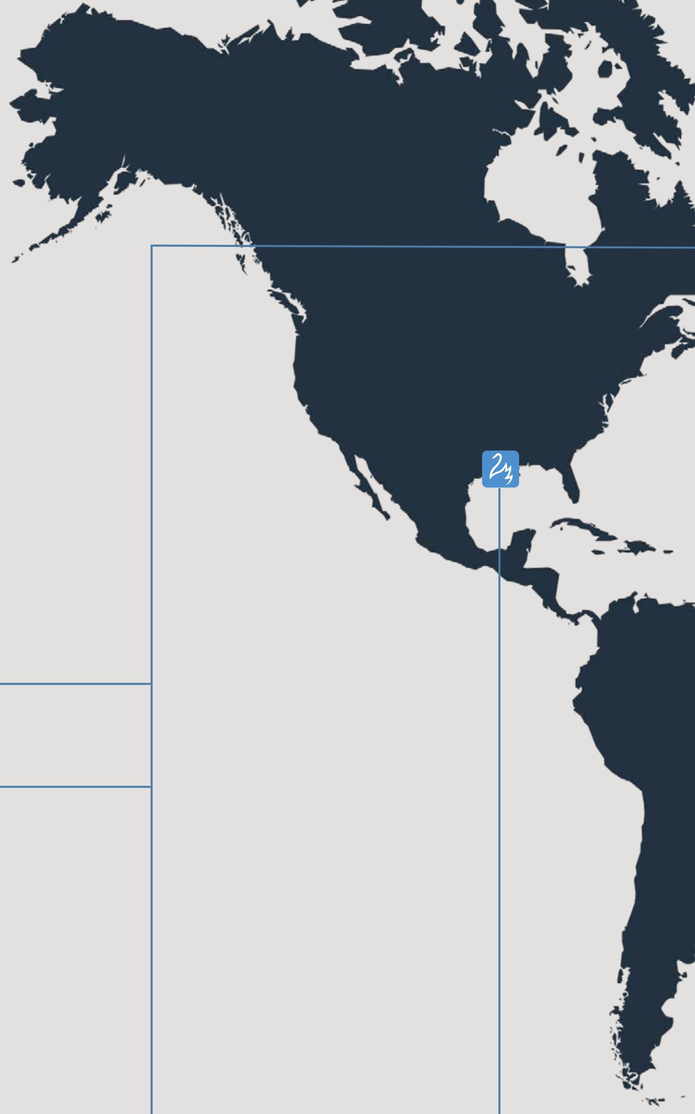
We set world standards to become the no. 1 oil and chemical tanker operator in our core markets."



DK

MIDDELFART

PHONE +45 88 61 88 61
FAX +45 88 61 88 60
info@uni-tankers.com

Turbinevej 10
DK-5500 Middelfart

VAT DK-12560796

DK

AALBORG

PHONE +45 88 30 39 89
aalborg@uni-tankers.com

Østre Havnegade 16
DK-9000 Aalborg

TR

ISTANBUL

PHONE +90 216 302 5900
FAX +90 216 302 8999
chartering@uni-tankers.com

Bagdat Cad. Gokce Sok.Toksoy
Apt. No: 10/17 - 18
34728 Caddebostan, Istanbul, Turkey

US

HOUSTON

PHONE +1 281 833 7271
FAX +1 281 833 7272
chartering@uni-tankers.com

840 Gessner Road
Houston, TX 77024, USA

FR

MOUGINS

PHONE +33 493 121 934
chartering@uni-tankers.com

Villa ‘La Täne’
609 Chemin de Pigranel
06250 Mougins, France

UNI-TANKERS.COM

Turbinevej 10, 5500 Middelfart, Denmark · Phone +45 88 61 88 61 · uni-tankers.com · Company reg. no. 12 56 07 96