



UNI-CHARTERING

Uni-Chartering A/S
Turbinevej 10, 5500 Middelfart
CVR No 31 58 78 67

The Annual Report was presented
and adopted at the Annual General
Meeting of the Company
on 28 June 2022.

Peter Appel
Chairman

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Review	7
Financial Statements	
Income Statement	9
Balance Sheet	10
Statement of Changes in Equity	12
Notes to the Annual Report	13

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Uni-Chartering A/S for the financial year 1 May 2021 - 30 April 2022.

The Annual Report was 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 of the Company at 30 April 2022 and of the results of the Company operations for 2021/22.

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 2022

Executive Board

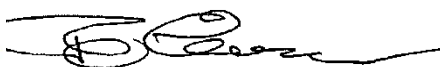


Per Frithiof Ekmann

Board of Directors



Thomas Thomsen
Chairman



Per Frithiof Ekmann



Peter Valdemar Stokbro

Independent Auditor's Report

To the Shareholder of Uni-Chartering A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2022, and of the results of the Company's operations for the financial year 1 May 2021 - 30 April 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Uni-Chartering A/S for the financial year 1 May 2021 - 30 April 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

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

Independent Auditor's Report

as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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

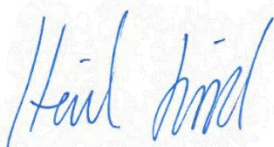
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trekantområdet, 28 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No. 33 77 12 31



Henrik Forthoft Lind
State Authorised Public Accountant
mne34169



Heidi Bonde
State Authorised Public Accountant
mne42815

Company Information

The Company

Uni-Chartering A/S
Turbinevej 10
DK-5500 Middelfart

Telephone: +45 88 30 99 09
Facsimile: +45 88 30 99 00
E-mail: info@uni-chartering.com

CVR No: 31 58 78 67
Financial year: 1 May – 30 April
Municipality
of reg. office: Middelfart

Board of Directors

Thomas Thomsen, Chairman
Per Frithiof Ekmann
Peter Valdemar Stokbro

Executive Board

Per Frithiof Ekmann

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Financial Highlights

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

Key figures	2021/22	2020/21	2019/20	2018/19	2017/18
	USD'000	USD'000	USD'000	USD'000	USD'000
Profit/loss					
Revenue	134,262	114,993	108,825	109,912	137,489
Profit/loss before financial income and expenses	3,507	(2,463)	1,530	556	2,191
Net financials	(136)	213	(135)	(245)	277
Profit/loss before tax	3,372	(2,251)	1,395	312	2,468
Net profit/loss for the year	3,342	(2,314)	1,357	250	2,595
Balance sheet					
Balance sheet total	22,642	18,566	14,687	13,958	18,031
Equity	11,775	8,377	9,561	9,771	9,391
Ratios (%)					
Gross margin	4,1%	-0,9%	2,3%	2,6%	5,8%
Profit margin	2,6%	-2,1%	1,4%	0,5%	-1,6%
Return on equity	33,2%	-25,8%	14,0%	2,6%	33,3%
Liquidity ratio	2,08	1,09	2,87	3,33	2,09
Solvency ratio	52,1%	45,1%	65,1%	70,0%	52,1%

Review

Activities

The Company's main activities comprise operating a fleet of time chartered vessels.

Development in financial year 2021/22

Comparative figures for 2020/21 are stated in brackets.

The 2021/2022 financial year was a period of positive developments for the company. The strategic initiatives in the mother company launched during recent years continued to bear fruit and gain momentum throughout the financial year. TCE rates also developed positively, particularly in the last quarter. Combined with the Group's financial strength and new strategy-related initiatives, this positive trend gives rise to considerable optimism regarding the coming financial year

Gross profit in 2021/22 was USD 5.5 million (loss USD 1.1 million).

Other external expenses increased by USD 0,6 million to USD 2.0 million (USD 1.4 million)

The net result for the year is a profit of USD 3.3 million (loss of USD 2.3 million). The net result is at the expectations prior to the beginning of the year. Strong 2nd half of the financial year with improved market conditions was the driver for the profit improvement.

At 30 April 2022, equity was USD 11.8 million (USD 8.4 million), The solvency rate at 30 April 2022 is 52,1% (45,1%).

The fleet of time chartered vessels at the end of the financial year is 23 vessels, 2 vessels more than last year.

Financial risks

Commercial risks

While Uni-Chartering handles the commercial management of 14 of the parent company's fleet of owned vessels, the main part of the Company's fleet is time chartered from other owners. As the time charter hire is fixed over the charter period, the Company is exposed to the commercial risk of a falling market as well as other commercial risks.

The Company mitigates this risk by balancing a mix of short-term, medium-term and long-term charter periods. The average duration of the current time charter contracts at year-end is shortly above 8 months and considered at a decent level.

Commodity risks

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

Review

The Company targets to mitigate the risk by passing on bunker price increases to customers. In the spot market, the freight level is to the extent possible adjusted to reflect the current bunker price level. When entering into Contracts of Affreightment with customers, the bunker price risk is either covered 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 Company is not exposed to any material risks relating to individual, large customers or business partners. The Company's policy for assuming credit risks implies that all customers and business partners are subject to current credit rating.

It is the Company's policy to require payment before or upon cargo release, while only customers with high credit rating and with whom the Company has a long lasting good relationship, are accepted to pay after cargo release. The Company has not suffered any material losses from defaulting customers in 2021/22.

Foreign exchange risks

Having USD as its presentation currency, the Company is affected by transactions taking place mainly in EUR and DKK. The Company is striving to match cash inflows and cash outflows in currencies other than USD with other companies at Group level.

Expectations for the year ahead

While market conditions were improving at the end of financial year 2021/22, and the company remains financially strong and guided by a robust business strategy, two factors cloud an otherwise positive outlook for 2022/23.

First, it is not yet clear how long the effects of the COVID-19 pandemic will continue to negatively impact our business. Supply-chain issues and related higher costs are the major threat today, but longer-term consequences of these trends also pose risks to global economic performance and thus also performance in the tanker business.

Second, it is difficult to predict what effects the war in Ukraine will have on our segment. Uni-Chartering follows these events closely and will adapt our business strategy and tactics accordingly as conditions change, but the situation is fluid and could remain so for some time to come.

Despite these uncertainties, the company's very strong financial performance in 2021/22 leads Management to expect an improved 2022/23, above USD 5 million in term of earning before tax.

Subsequent events

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

Income Statement 1 May – 30 April

	<u>Note</u>	<u>2021/21</u> <u>USD'000</u>	<u>2020/21</u> <u>USD'000</u>
Revenue		134,262	114,993
Direct expenses		(128,762)	(116,048)
Gross profit/loss		5,500	(1,055)
Other external expenses		(1,993)	(1,408)
Profit before depreciation and amortisation		3,507	(2,463)
Profit before financial income and expenses		3,507	(2,463)
Financial income	1	138	221
Financial expenses	2	(274)	(9)
Profit/loss before tax		3,372	(2,251)
Tax for the year	3	(30)	(63)
Net profit/loss for the year		3,342	(2,314)
Distribution of profit/loss	4		

Balance Sheet at 30 April

Assets

Note	2022	2021
	USD'000	USD'000
Inventory of fuel oil	3,872	2,111
Trade receivables	185	0
Receivables from group enterprises	13,889	11,837
Other receivables	168	113
Corporation tax	640	768
Prepayments	3,647	3,421
Receivables	18,530	16,139
Cash at bank and in hand	240	316
Current assets	22,642	18,566
Assets	22,642	18,566

Balance Sheet at 30 April

Liabilities and equity

	<u>Note</u>	<u>2022</u> USD'000	<u>2021</u> USD'000
Share capital		888	888
Retained earnings		10,887	7,489
Equity		11,775	8,377
Trade payables		4,448	4,824
Payables to group enterprises		5,234	5,365
Other payables		0	0
Deferred income		1,185	0
Short-term debt		10,867	10,189
Debt		10,867	10,189
Liabilities and equity		22,642	18,566
Derivative financial instruments	5		
Security and contingent liabilities	6		
Transactions with related parties	7		
Subsequent Events	8		
Accounting Policies	9		

Statement of Changes in Equity

	Share capital	Reserve for fair value adjustment	Retained earnings	Total
	USD'000	USD'000	USD'000	USD'000
2021/22				
Equity at 1 May	888	1,130	6,359	8,377
Net profit/loss for the year	0	0	3,342	3,342
Fair value adjustment of hedging instruments	0	56	0	56
Equity at 30 April	888	1,186	9,701	11,775
	Share capital	Reserve for fair value adjustment	Retained earnings	Total
	USD'000	USD'000	USD'000	USD'000
2020/21				
Equity at 1 May	888	0	8,673	9,561
Net profit/loss for the year	0	0	(2,314)	(2,314)
Fair value adjustment of hedging instruments	0	1,130	0	1,130
Equity at 30 April	888	1,130	7,489	8,377

Notes to the Annual Report

	<u>2021/22</u>	<u>2020/21</u>
	USD'000	USD'000
1 Financial income		
Intercompany interest income	26	16
Exchange adjustments	0	205
Other financial income	<u>112</u>	<u>0</u>
	<u>138</u>	<u>221</u>
2 Financial expenses		
Intercompany interest expenses	0	(6)
Exchange adjustments	(274)	0
Other financial expenses	<u>0</u>	<u>(3)</u>
	<u>(274)</u>	<u>(9)</u>
3 Corporation tax		
Current tax for the year	<u>(30)</u>	<u>(63)</u>
	<u>(30)</u>	<u>(63)</u>
4 Distribution of profit/loss		
Proposed distribution of profit/loss		
Retained earnings/losses	<u>3,342</u>	<u>(2,314)</u>
	<u>3,342</u>	<u>(2,314)</u>
5 Derivative financial instruments		

The Company has entered into forward contracts to ensure future purchase of bunkers for servicing fixed freight contracts. In relation to trading prices at the balance date, the contracts have a negative fair value of TUSD 168. Capital gains are recognized in equity. The contracts have a maturity of 1-8 months.

Notes to the Annual Report

6 Security and contingent liabilities

Security

The Company has issued a joint and several guarantee of TUSD 99,218 in respect of the obligations of group enterprises toward credit institutions.

Contingent liabilities

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax and VAT. Any subsequent adjustments to corporation or withholding taxes and VAT may result in an increase of the Company's liability.

Rental and lease obligations:

The Company has entered into the following contracts:

- time charter contracts with a total obligation of TUSD 63,395.

The obligations are due according to the following order:

	<u>Within 1 year</u> USD	<u>Between 1 and 5 years</u> USD	<u>After 5 years</u> USD
Time charter contracts	58,050,182	5,345,120	0
	<u>58,050,182</u>	<u>5,345,120</u>	<u>0</u>

Notes to Annual Report

7 Related parties

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.

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of the immediate Parent Company Uni-Tankers A/S.

Controlling interest is exercised through the Company's immediate Parent Company, Uni-Tankers A/S. The Company's ultimate Parent Company which prepares Consolidated Financial Statements is SelfGenerations T ApS, in which Torben Østergaard-Nielsen (Middelfart), CEO, Turbinevej 10 5500 Middelfart exercises control.

8 Subsequent Events

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

9 Accounting Policies

Basis of Preparation

The Annual Report of Uni-Chartering A/S for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting Class C.

The Financial Statements for 2021/22 have been presented in USD. The exchange rate for USD/DKK at 30 April 2021 is 613.08 and at 30 April 2022 706.02.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement provided in the Consolidated Financial Statements of Uni-Tankers A/S, the Company has omitted preparing a cash flow statement.

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 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.

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.

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

9 Accounting Policies (continued)

Translation policies

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 on hedge accounting.

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 qualify as hedge accounting, see below.

Hedge accounting

Fair value hedges:

Changes in the fair values of derivative financial instruments that are designated and qualify 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.

9 Accounting Policies (continued)

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 on the sale of goods and services 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, and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and duties, and income is cut off and recognised over the duration of the voyages.

Direct expenses

Direct expenses include expenses for the purchase of fuel for ships.

Other external expenses

Other external expenses include expenses for sale and marketing as well as office expenses, etc.

Financial income and expenses

Financial income and expenses comprise interest as well as realised and unrealised exchange gains.

9 Accounting Policies (continued)

Tax on the profit/loss for the year

The Company's current tax is computed according to the provisions of the Danish Tonnage Tax Act. On the basis of the Company's planned shipowning operations, the Tonnage Tax Scheme does not imply recapture of depreciation, and therefore deferred tax is only disclosed in the notes.

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 Company 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

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.

Inventory of fuel oil

Oil inventories comprise bunker for own use.

9 Accounting Policies (continued)

Prepayments

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

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.

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 carry-forwards, 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 adjusted for tax on taxable incomes for prior years.

Tax receivables and liabilities are offset 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 comprises payments received in respect of income in subsequent years.

9 Accounting Policies (continued)

Definition of financial ratios

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

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

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

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

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