




# 2020

Annual Report  
Ultranav Denmark ApS



Ultranav Denmark ApS | Smakkedalen 6 | 2820 Gentofte, Denmark | CVR.no. 32 94 95 41

Approved on the annual general meeting 30 March 2021

  
Bent Jensen - Chairman of the meeting

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## STATEMENT OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Board have today discussed and approved the annual report of UltrNAV Denmark ApS for the financial period 1 January – 31 December 2020.

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

It is our opinion that the consolidated financial statements and the financial statement of the

Parent Company give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the the Group's and the Parent Company's operations and the Group's cash flows for the financial year 1 January – 31 December 2020.

In our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial

matters and the results of the Group's and Parent Company's operations and its financial position.

Further, in our opinion the Management's review describes the most significant risks and uncertainties that may affect the Group and the Parent Company.

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

Copenhagen, 19 March 2021

### EXECUTIVE MANAGEMENT



Francisco Larrain

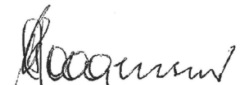
### BOARD OF DIRECTORS



Dag von Appen  
Chairman



Enrique Ide



Carsten Haagensen

## INDEPENDENT AUDITORS' REPORT

To the shareholders of UltrNAV Denmark ApS

### Opinion

We have audited the consolidated financial statements and the Parent Company financial statements of UltrNAV Denmark ApS for the financial year 1 January – 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the Parent Company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 31 December 2020 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 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the Parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### 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 as to 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 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 the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or,

if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note 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.

## Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the


information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

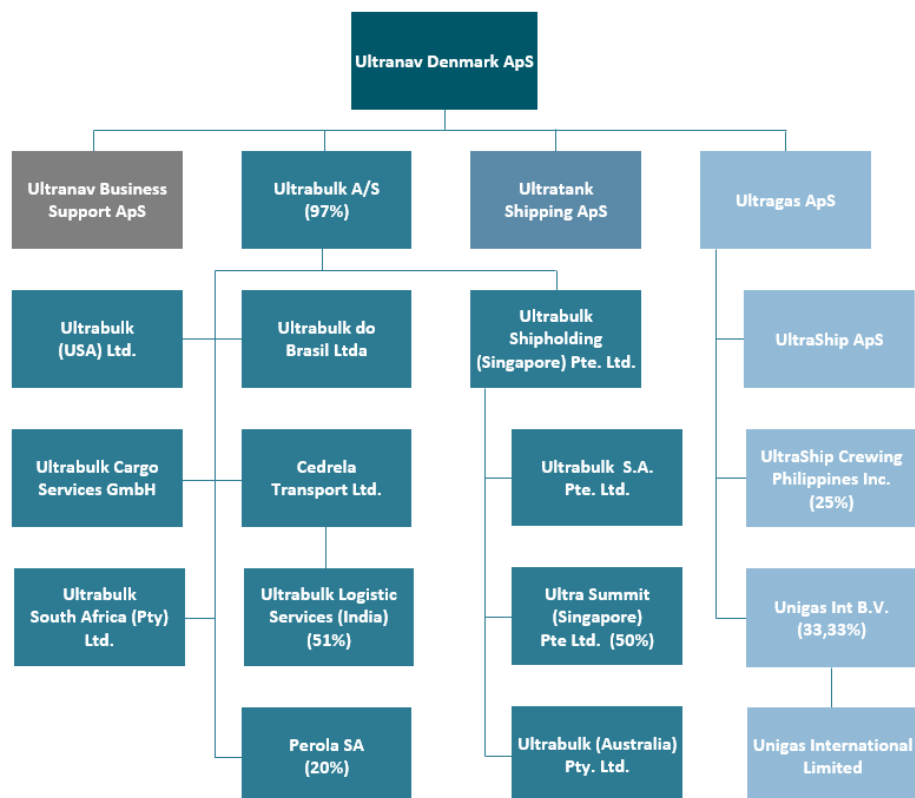
Copenhagen, 19 March 2021

EY  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

  
Thomas Bruun Kofoed  
State Authorised Public Accountant  
MNE no. 28677

  
Tommy Borggaard Nielsen  
State Authorised Public Accountant  
MNE no. 34340

## COMPANY STRUCTURE



## KEY FIGURES AND FINANCIAL RATIOS

KEY FIGURES (USD '000)	2020	2019	2018	2017	2016
Revenue	1,022,678	1,121,982	1,165,948	1,000,580	706,875
Gross profit (Net earnings from shipping activities)	18,305	43,088	45,856	8,543	22,697
Operating profit/(loss) (EBIT)	-28,394	-3,348	3,958	-30,956	-15,366
Net financials	-773	-3,516	-1,429	940	-39
<b>Net profit/(loss)</b>	<b>-31,831</b>	<b>-8,402</b>	<b>2,458</b>	<b>-31,559</b>	<b>-16,849</b>
Profit/(loss) for the year for the Ultrana Denmark Shareholders	-31,262	-8,547	2,009	-31,490	-16,772
Total assets	291,263	327,526	345,137	331,880	311,118
<b>Equity</b>	<b>162,074</b>	<b>190,813</b>	<b>192,944</b>	<b>195,636</b>	<b>121,822</b>
Cash flow from operating activities	-13,165	20,763	6,370	-32,711	6,785
Cash flow from investing activities	2,733	11,055	-16,826	-19,525	-4,447
- of which relates to investment in tangible assets	-19,481	-26,056	-43,516	-20,266	-5,027
Cash flow from financing activities	-5,036	-18,158	7,443	37,515	-5,303
<b>Net cash flow</b>	<b>-15,468</b>	<b>13,660</b>	<b>-3,013</b>	<b>-14,721</b>	<b>-2,965</b>
<b>Financial ratios</b>					
Gross profit margin	1.79%	3.84%	3.93%	0.85%	3.21%
Operating margin (EBIT margin)	-2.78%	-0.30%	0.34%	-3.09%	-2.17%
Equity ratio	55.65	58.26	55.90	58.95	39.16
Return of equity	-18.04%	-4.38%	1.27%	-19.88%	-13.27%
Total Investment in tangible assets	58,175	69,275	87,082	70,318	53,344
USD/DKK rate year-end	605.76	667.59	651.94	620.77	705.28
Average USD/DKK rate	653.43	667.03	631.74	659.53	673.27

## MAIN ACTIVITIES

Ultrana Denmark ApS is the holding company (the Parent) for the activities in Ultrabulk A/S Group, Ultragas ApS Group, Ultrana Business Support ApS and Ultratank Shipping ApS in the following collectively referred to as the Ultrana Denmark Group.

Ultrana Denmark ApS is a subsidiary of Naviera Ultrana Limitada, Santiago, Chile.

The main activities of Ultrana Denmark ApS are ship owning and ship operating activities with a main focus on dry bulk activities within

the Panamax, Supramax, Handy and MPP segments and transport of liquid gas products in semi-refrigerated gas carriers with a carrying capacity of up to 22,000 cbm.

### Vision statement

We aspire to build and operate the best platform of shipping services for the development and success of our clients, employees and communities.

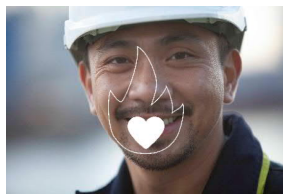
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### Core Values



#### Excellence

We constantly measure, analyse and adjust in order to enhance quality.



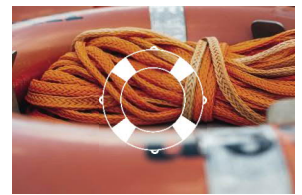
#### Passion

We address challenges with passion and positive commitment.



#### Integrity

We are committed to being reliable, trustworthy, and dependable.



#### Safety

We are committed to developing and stimulating a safe working culture onboard ships and ashore.

## ULTRABULK

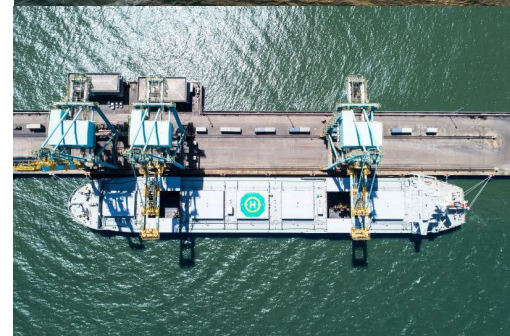
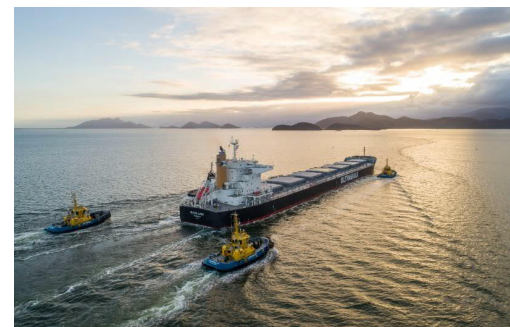
A leading global dry bulk operator, servicing customers within the MPP, Handy, Supramax and Panamax segments.

Ultrabulk is a leading global dry bulk operator, servicing customers within the Panamax, Supramax, Handysize and MPP segments. The business model's core element remains a strong focus on customer relations through a range of long-term partnerships, on cargoes as well as on tonnage. Over the years, this has enabled the establishment of a considerable long-term book serving as the platform for future growth.

Ultrabulk also operates in several specialised trades with substantial synergies to our core elements. It is a strategic focus to continue developing additional niche trades as they are very important elements in the future growth of the fleet of around 135-170 vessels.

Investment in new technologies is a constant company focus in order to improve the internal processes, risk management, forecasting and data accuracy. The goal is to improve efficiency as well as ensure the best data to support business decisions going forward.

The company had 99 employees by the end of 2020, all strategically located in offices in Copenhagen (Main office), Santiago, Stamford (CT), Rio de Janeiro, Singapore, Cape Town and Sydney. The geographical spread of offices enables Ultrabulk to serve its partners in their own time zone in relation to both chartering and operations.



## ULTRAGAS

Specialists in the marine world transportation of liquefied petroleum and petrochemical gases.

Ultragas' prime activities are the commercial and technical operation of a fleet of Liquefied Petroleum Gas Carriers servicing major oil and gas companies, as well as larger petrochemical and trading companies. Trading activities revolve around both, global and regional distribution of LPG, petrochemicals and ammonia.

The company is headquartered in Copenhagen and, at the end of 2020, Ultragas operated 18 LPG carriers ranging in size from 3,500 to 22,000 cbm all of which are semi-refrigerated vessels and, of which eight can carry ethylene. All vessels were bareboat chartered from companies in the Ultrana Group.

The handsized fleet (vessels between 15,000-25,000 cbm) is commercially operated by own inhouse organisation. By the end of the year Ultragas operated seven such vessels, which made Ultragas the second largest operator in the handsized segment.

The commercial operation of the vessels up to 12,000 cbm is performed by Unigas International BV (Unigas) in Rotterdam, a company which Ultragas owns equally with two partners. Unigas is a leading operator in the segment up to 15,000 cbm and operated as at year end a total of 36 LPG and Ethylene carriers of which 11 units are provided by Ultragas.

The company had 10 employees by the end of 2020, all located in the headquartered office in Copenhagen.



## ULTRASHIP

UltraShip's prime activity is to perform technical management for Ultragas' entire fleet of LPG carriers as well as other owned vessels within the Ultrana Group. UltraShip also provides technical supervision, including newbuildings and projects, for Ultragas and affiliated companies within the Ultrana Group.

The technical management team consists of 25 professional technical staff. UltraShip is supported in its crewing needs by a related partner, UltraShip Crewing Philippines, which recruits the majority of the about 650 officers and crew required to safely man the fleet.

As of end 2020, UltraShip had 18 gas carriers in technical management which was the entire Ultragas fleet of gas carriers. The vessels are managed at a high standard and registered with first class flag states, including DIS and with recognised classification societies of which Lloyds Register is the predominant.

During 2020, Ultrabulk had three bulk carriers under the technical management of UltraShip.

## SUPPORT

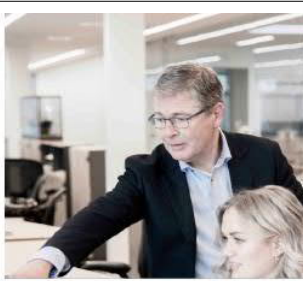
Ultrana Business Support has enhanced its capacity and capability of providing high quality support to the bulk and gas carrier operations in the areas of corporate finance, treasury, accounting, operations control, IT, laytime, business intelligence, communication and HR functions.

## OTHER ACTIVITIES

Ultratank Shipping ApS has had only limited activities during the year.



# WHO WE ARE



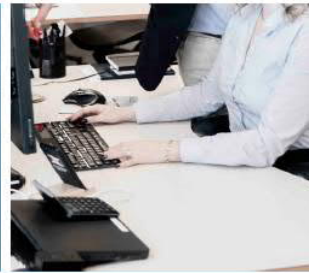
## Ultragas

Ultragas is a tier 1 gas carrier owner/operator and specialist in the transportation of liquefied petroleum and petrochemical gases. We have offices in Copenhagen, Manila and Rotterdam, and our modern fleet of owned vessels is managed by in-house technical staff.



## Ultrabulk

Ultrabulk is a leading global dry bulk operator, servicing customers within the MPP, Handy, Supramax and Panamax segments. We have offices in Copenhagen, Cape Town, Stamford CT, Rio de Janeiro, Santiago, Singapore, and Sydney and a fleet of owned and chartered vessels.



## UltraShip

UltraShip is the inhouse technical management entity supporting the entire Ultragas fleet of 18 vessels as well as a number of Ultrabulk owned vessels. We also perform technical supervision, including newbuildings and projects as well as vessel crewing.



## Ultrana Business Support

Ultrana Business Support provides professional services and support functions, including Finance, Accounting, Treasury, Operations Control, IT, HR and Communication, for the commercial offices of Ultrabulk, Ultragas and UltraShip.



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## PART OF A LARGE AND DIVERSIFIED SHIPPING GROUP

### The Ultrana Group

Ultrana Denmark is part of the Ultrana Group. Ultrana Group is a privately owned shipowning and operating company headquartered in Santiago, Chile.

Through eleven business units, Ultrana Group operates in five market segments: Oil, gas, dry bulk, coastal trades, and towage & offshore. Ultrana Group operates a fleet of gas and chemical carriers, tankers for crude

oil and clean petroleum products, bulk carriers, feeder container ships, multipurpose vessels, harbour tugs, PSVs, AHTS, pusher tugs, barges and pilot boats.

Ultrana Group is focused on providing efficient, safe and environmentally friendly maritime transportation, harbour towage and maritime support services to the mutual benefit of its customers, employees and all relevant stakeholders.

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### Ultrana Business Units



### Ultrana Fleet

Number of vessels and tugs in our fleet (as per Dec 2020)

Grand Total: 426

108 Tankers



10 MPP & Containers



71 Harbor Tugs



23 PSV



4 AHTS



21 Gas Carriers



177 Dry Cargo



3 Pusher Tugs



5 Barges



4 Pilot/Crew Boats



## CORPORATE GOVERNANCE

It continues to be of absolute and paramount importance for UltrNAV to present itself and to act as a fair and trustworthy partner – “A partner you can trust”.

This applies to all areas of activities and cooperation and in relation to all stakeholders.

It is important for UltrNAV that activities are planned and executed in a responsible and reliable manner and with a sound and sustainable balance between the considerations for the surrounding society, respect for the environment, the well-being of employees, and the need for commercial development.

### Corporate Social Responsibility

UltrNAV Denmark ApS reports on all CSR relevant activities according to the new requirements in the Danish Financial Statements Act §99a. The report covers all the Danish UltrNAV companies; Ultrabulk A/S, Ultragas ApS, UltraShip ApS, Ultratank Shipping ApS and UltrNAV Business Support ApS, and is available on our website.

 [ultrnav.dk/content/csr](https://ultrnav.dk/content/csr)

### Gender composition at board level

According to the requirements in Danish Financial Statement Act § 99b, UltrNAV Denmark ApS must report on gender composition in the management. UltrNAV applies a policy stating that gender composition of management shall reflect the gender balance of society as a whole – with due regard to the specific conditions in the shipping business.

UltrNAV Denmark ApS' policy states and ensures equal career opportunities for men and women and it is actively used as a tool for recruiting and working with both genders, and equality in general. In the recruiting processes, it is the target to have both genders presented in the final stage of selection.

The representation of women in the senior management team has not increased in 2020 and the aim and expectation is to increase female participation at senior management level in the coming years.

With regards to the composition of Board of Directors, the objective set out in 2019 was that female shareholder-elected members should make up 25% of the Board of Directors by the end of 2020. This target was not achieved as it proved to be too ambitious considering the time frame and

the female representation in the shipping industry in general.

The Board of Directors comprise of three male members at the end of 2020.

Looking forward, our renewed ambition is that a female member of the Board of Directors will be appointed within four years from now, which is by the end of 2024.

## DEVELOPMENT IN ACTIVITIES AND FINANCIAL CONDITION

The consolidated EBIT for UltrNAV Denmark ApS was a loss of USD 28.4 million, whereas the result after tax was a loss of USD 31.8 million compared to a loss after tax in 2019 of USD 8.4 million. The result was lower than expected.

Ultrabulk A/S reported a loss of USD 19.7 million against a profit of USD 12.8 million in 2019. The loss for the year was mainly linked to the low market conditions under Covid-19.

Ultragas ApS reported a loss of USD 6.1 million which was an improvement from the loss of USD 13.7 million reported in 2019. In both years, the negative results were largely because of depressed market conditions, where earnings have fallen short of the bareboat hires payable.

The consolidated equity of UltrNAV Denmark ApS Group as of end 2020 was USD 162.1 million (USD 190.8 million in 2019).

The Parent Company reported a net result of USD 10.0 million, against USD 5.4 million in 2019 and the Parent Company's equity increased to USD 178.1 million at the end of 2020 from USD 168.1 million last year.

### Outlook for 2021

On basis of the below, UltrNAV Denmark ApS expects a significant improvement in the consolidated net result for 2021 compared to 2020.

#### Ultrabulk

Ultrabulk is confident that the worst of Covid-19 effects are behind us and it is well positioned to address the opportunities that will arise under present market conditions. Based on the current coverage, and the expected market conditions, Ultrabulk expects a positive net result for 2021.

#### Ultragas

The demand for gas carriers is positively supported by a relatively high average age for gas vessels, especially in the segment of vessel below 15,000 cbm, combined with a very limited order book for semi-refrigerated vessels and an expected continued growth in supply of LPG – mainly driven by increased US production and stable to increasing demand for transport of petrochemical gases, supported by a growing global economy.

Further, growing long-haul petrochemical shipments are expected to directly and indirectly support both Unigas and the handysize segment, and fleet utilisation is expected to improve during 2021.

Additional exports of shale-based LPG from North America, stimulated by higher oil prices, may influence fleet utilisation and charter rates positively.

Ultragas expects a positive net result for 2021.



# CONSOLIDATED INCOME STATEMENT AND CASH FLOW STATEMENT

## Income statement

Figures in USD '000	Note	2020	2019
Revenue	2	1,022,678	1,121,982
Voyage related expenses and operating expenses	4	-431,042	-458,401
Bare-boat and time charter hire		-573,331	-620,493
<b>Gross profit (Net earnings from shipping activities)</b>		<b>18,305</b>	<b>43,088</b>
Other external expenses	3	-7,535	-9,672
Staff costs	4	-23,214	-24,145
<b>Operating loss before depreciation, amortisation and impairment loss (EBITDA)</b>		<b>-12,444</b>	<b>9,272</b>
Gain/(loss) from sale of vessels		4,252	457
Impairment loss on vessels		-2,910	-
Depreciation		-10,204	-12,774
Share of result in joint ventures		-7,088	-303
<b>Operating profit/(loss) (EBIT)</b>		<b>-28,394</b>	<b>-3,348</b>
Share of result in associates	9	-310	-1,311
Financial income	5	1,524	1,910
Financial expenses	5	-1,987	-4,115
<b>Profit/(loss) before tax</b>		<b>-29,167</b>	<b>-6,864</b>
Tax	6	-2,664	-1,538
<b>Net result</b>		<b>-31,831</b>	<b>-8,402</b>
<b>Net result attributable to:</b>			
Shareholders of Ultravav Denmark ApS		-31,262	-8,547
Minority shareholders		-569	145
		<b>-31,831</b>	<b>-8,402</b>

## Cash flow statement

Figures in USD '000	Note	2020	2019
Profit/(loss) before tax		-29,167	-6,864
Tax paid		-2,294	-608
Adjustment for non-cash operating items	17	18,237	16,666
Change in working capital	18	60	11,569
<b>Net cash flows from operating activities</b>		<b>-13,164</b>	<b>20,763</b>
Investments in tangible assets		-19,481	-26,056
Sale of tangible assets		28,120	39,986
Loan to related companies		-2,146	-2,691
Dividend received		288	128
Change in restricted cash	12	-4,048	-312
<b>Net cash flows from investing activities</b>		<b>2,733</b>	<b>11,055</b>
<b>Free cash flow</b>		<b>-10,431</b>	<b>31,818</b>
Dividends paid to minority shareholders		-290	-150
Repayment of loans		-3,699	-15,376
Interest payments on loans		-1,047	-2,632
<b>Net cash flows from financing activities</b>		<b>-5,036</b>	<b>-18,158</b>
<b>Net cash flow</b>		<b>-15,467</b>	<b>13,660</b>
Cash and cash equivalents at 1 January		93,196	75,536
Net change in cash and cash equivalents		-15,467	13,660
<b>Cash and cash equivalents at 31 December</b>		<b>77,729</b>	<b>93,196</b>
Restricted cash	12	5,128	1,080
Cash and short term deposits		77,729	93,196
<b>Cash and cash equivalents, including restricted cash at 31 December</b>		<b>82,857</b>	<b>94,276</b>

# CONSOLIDATED BALANCE SHEET

## Assets

Figures in USD '000	Note	2020	2019
Goodwill		-	1,507
Contractual rights		6,612	11,187
<b>Intangible assets</b>	7	<b>6,612</b>	<b>12,694</b>
Vessels		57,445	62,831
New building contracts		-	5,630
Fixtures, fittings and equipment		730	814
<b>Tangible assets</b>	8	<b>58,175</b>	<b>69,275</b>
Investment in associates	9	2,160	2,031
Investment in joint ventures	10	18,191	25,279
Derivative financial instruments		188	1,408
Loans receivable from related companies		4,837	2,691
Deposits		398	-
<b>Financial assets, non-current</b>		<b>25,774</b>	<b>31,409</b>
<b>Non-current assets</b>		<b>90,561</b>	<b>113,378</b>
Inventories		19,851	29,804
Trade and other receivables	11	70,593	71,993
Receivables from related companies		1,897	1,564
Prepayments		22,021	15,199
Derivative financial instruments		3,483	1,312
Cash and cash equivalents, including restricted cash	12	82,857	94,276
<b>Current assets</b>		<b>200,702</b>	<b>214,148</b>
<b>TOTAL ASSETS</b>		<b>291,263</b>	<b>327,526</b>

## Equity and liabilities

Figures in USD '000	Note	2020	2019
Share capital	13	20,577	20,577
Retained earnings		140,188	171,379
Other reserves		-3,170	-6,528
Proposed dividend to shareholders		-	-
<b>Total equity of majority interest</b>		<b>157,595</b>	<b>185,428</b>
Non-controlling interests	14	4,479	5,385
<b>Total equity</b>		<b>162,074</b>	<b>190,813</b>
Interest bearing loans and borrowings	15	18,175	28,486
Derivative financial instruments		3,063	1,763
<b>Non-current liabilities</b>		<b>21,238</b>	<b>30,249</b>
Trade and other payables	16	88,120	87,948
Interest-bearing loans and borrowings	15	11,245	3,699
Payables to related companies		4,501	8,412
Derivative financial instruments		2,273	5,430
Income tax payable		1,812	975
<b>Current liabilities</b>		<b>107,951</b>	<b>106,464</b>
<b>Total liabilities</b>		<b>129,189</b>	<b>136,713</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>291,263</b>	<b>327,526</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in USD '000	Share capital	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total equity attributable to shareholders of Ultrana Denmark ApS	Non-controlling interests	Total equity
<b>Equity at 1 January 2020</b>	<b>20,577</b>	<b>-4,270</b>	<b>-2,258</b>	<b>171,378</b>	<b>185,427</b>	<b>5,385</b>	<b>190,812</b>
Net result for the year	-	-	-	-31,262	-31,262	-569	-31,831
Cash flow hedge	-	2,924	-	-	2,924	83	3,007
Foreign exchange adjustments on net investments in foreign operations	-	-	626	84	710	19	729
Other changes	-	-192	-	-12	-204	-149	-353
Proposed dividend	-	-	-	-	-	-	-
Distributed dividend	-	-	-	-	-	-290	-290
<b>Equity at 31 December 2020</b>	<b>20,577</b>	<b>-1,538</b>	<b>-1,632</b>	<b>140,188</b>	<b>157,595</b>	<b>4,479</b>	<b>162,074</b>

Figures in USD '000	Share capital	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total equity attributable to shareholders of Ultrana Denmark ApS	Non-controlling interests	Total equity
<b>Equity at 1 January 2019</b>	<b>20,577</b>	<b>-10,040</b>	<b>-3,072</b>	<b>180,282</b>	<b>187,747</b>	<b>5,197</b>	<b>192,944</b>
Net result for the year	-	-	-	-8,547	-8,547	145	-8,402
Cash flow hedge	-	5,770	-	-	5,770	178	5,948
Foreign exchange adjustments on net investments in foreign operations	-	-	814	-	814	26	840
Other changes	-	-	-	-357	-357	-11	-368
Proposed dividend	-	-	-	-	-	-	-
Distributed dividend	-	-	-	-	-	-150	-150
<b>Equity at 31 December 2019</b>	<b>20,577</b>	<b>-4,270</b>	<b>-2,258</b>	<b>171,378</b>	<b>185,427</b>	<b>5,385</b>	<b>190,812</b>

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## Note 1 – Group accounting policies and significant estimate

Ultrana Denmark ApS is a company domiciled in Denmark.

The annual report of Ultrana Denmark ApS for 2020 has been prepared in accordance with the Danish Financial Statements Act for class C-companies (large).

### Basis of preparation

The annual report has been prepared on the historical cost basis except all financial assets and liabilities held for trading. These financial assets and liabilities have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges and otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The accounting policies set out below have been used consistently in respect of the financial year and the comparative figures.

The annual report has been presented in USD thousands (USD '000), except when otherwise indicated.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 charges will flow to the Company and the value of the liability can be measured reliably.

On initial recognition assets and liabilities are measured at cost. Measurement of assets and liabilities after initial recognition is effected as described below for each item.

In recognition and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement when earned. Furthermore, costs incurred to achieve earnings for the year are recognised in the income statement including depreciation, amortization, impairment losses and provisions as well as reversal of entries as a result of changed accounting estimates, which were formerly recognised in the income statement.

### Basis of consolidation

The consolidated financial statements comprise the Parent Company Ultrana Denmark ApS and subsidiaries in which the Company has control, i.e. the power to govern the financial and operating policies so as to obtain benefits from its activities. Control is obtained when a Company directly or indirectly holds more than 50% of the voting rights in the subsidiary or which it, in some other way, controls.

Enterprises over which a Company exercises significant influence, but which it does not control, are considered associates. Significant influence is generally obtained by direct or indirect ownership or control of more than 20% of the voting rights but less than 50%.

When assessing whether a Company exercises control or significant influence, potential voting rights which are exercisable at the balance sheet date are taken into account.

The financial statements of the controlled subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intercompany balances, income and expenses, unrealised gains and losses and dividends resulting from intercompany transactions are eliminated in full.

The accounting items of subsidiaries are included in full in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly owned are included in the Group's profit/loss and equity, respectively, but are disclosed separately.

### Accounting for business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to Ultrana Denmark ApS. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable.

The cost of a business combination comprises the fair value of the consideration agreed upon and the aggregate of acquired identifiable assets, liabilities and contingent liabilities measured at fair value at the acquisition date.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquired subsidiary over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Subsequent to the initial

recognition, goodwill is measured at cost less any accumulated amortisations. Goodwill is amortised over 10 years.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Common control transactions are accounted for using the pooling-of-interest method. The receiving company of the net assets initially recognizes the assets and liabilities transferred at their carrying amount. The result of operations for the period in which the transfer occurs is presented as though the transfer had occurred at the beginning of the period. Financial statements and financial information for prior years are restated to provide appropriate comparative information.

### Foreign currency translation

For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions.

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in the income statement as financial income or financial expenses.

In the consolidated financial statements, the income statements of entities with another functional currency than USD are translated at the exchange rates at the transaction date and the balance sheet items are translated at the exchange rates at the balance sheet date. An average exchange rate for each month is used as the transaction date exchange rate to the extent that this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation of the opening balance of equity of such foreign operations at the exchange rates at the balance sheet date and on translation of the income statements from the exchange rates at the

transaction date to the exchange rates at the balance sheet date are recognised in equity under a separate translation reserve.

### Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts, bunker hedge and FFA's to hedge part of risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to profit or loss.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The fair value of bunker and the fair value of FFA's are determined by reference to market values for similar instruments.

For the purpose of accounting, hedges are classified as:

- fair value hedges when hedging the exposure to change in fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedge when hedging exposure to variability in cash flow that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At time of entering into a hedge relationship, the Group designates and documents the hedge relationship to which the Group wishes to apply for hedge accounting and the risk management objectives and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness requirements.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

**Fair value hedges**

Derivatives designated as hedging instruments are measured at fair value and changes in fair value are recognised in the income statement. Correspondingly, a change in the fair value of the hedged item attributable to the hedged risk is recognised in the income statement. The fair value hedge accounting is discontinued if the hedging instrument expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for hedge accounting stated above.

**Cash flow hedges**

Changes in the fair value of a hedging instrument that meet the criteria for cash flow hedge accounting are recognized in equity. The ineffective part of the hedging instrument is recognised directly in the income statement. Gains and losses that are recognised in equity are taken to the income statement in the same period or periods as the cash flow which comprises the hedged item is recognised in the income statement. The principle also applies if the hedged forecasted transaction results in an asset or liability being recognised in the balance sheet. If the cash flow hedge no longer meets the criteria for hedge accounting, hedge accounting is discontinued. The cumulative gain or loss of the hedging instrument recognised in equity remains separately recognised in equity until the forecast transaction occurs. If the cash flow hedged transaction is no longer expected to occur, any previously accumulated gain or loss of the hedging instrument that has been recognised in equity will be carried to profit or loss. Derivatives not accounted for as hedging instruments are classified as financial assets at fair value through profit or loss and measured at fair value. Changes in the fair value of such derivatives are recognised in the income statement.

**Determination of fair value**

The fair value of financial assets and liabilities is measured on the basis of quoted market prices of financial instruments traded in an active market. If an active market exists, fair value is based on the most recent observed market price at the end of the reporting period.

If an active market does not exist, the fair value is measured according to generally accepted valuation techniques. Market-based parameters are used to measure fair value.

For bunker contracts the price is based on the prices from Platts Bunkerwire. The value of FFAs is assessed on basis of daily recorded prices from the Baltic Exchange.

**INCOME STATEMENT****Revenue and expenses**

All voyage revenues and voyage expenses are recognised as the services are rendered based on the percentage of completion method. According to the method all spot voyages and voyages servicing contract of affreightment (CoA) and the related expenses are recognised from the vessel's load date to the delivery of the cargo (discharge). Expenses directly attributable to position the vessel to the loading port is capitalised and amortised over the course of the transportation period. Demurrage is included if a claim is considered probable. Losses arising from time or voyage charter are provided for in full when they become probable.

The aggregated gross earnings for the gas activities in Unigas have been adjusted for general expenses, insurance premiums, bad debt losses, financial charges, interest and foreign exchange variances.

**Profit and loss from the sale of vessels**

Profits and losses from the sale of vessels are stated as the difference between the sales price of the vessel less selling costs and the carrying amount of the vessel at the time of delivery.

**Profit from investments in associates and joint ventures**

In the consolidated income statement, the proportionate share of the result after tax is recognized in the consolidated income statement after elimination of the proportionate share of intra-group profits/losses.

**Financial items**

Financial items comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities.

**Taxes**

UltranaV Denmark ApS is jointly taxed with its Danish subsidiaries and UltranaV Denmark ApS is the administration company for the jointly taxed companies. The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. Companies with shipping activities participate in the Danish Tonnage Tax Scheme. Companies that use tax losses in other companies pay the joint tax contribution

to the Parent Company at an amount corresponding to the tax value of the tax losses used. Companies whose tax losses are used by other companies receive joint tax contributions from the Parent Company corresponding to the tax value of the losses used (full absorption). The jointly taxed companies are taxed under the tax prepayment scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement. Tax attributable to changes in equity is taken directly under equity.

**BALANCE SHEET****Intangible assets****Goodwill**

Goodwill is depreciated on a straight-line basis over the estimated useful lives, which for goodwill related to Ultrabulk A/S is 10 years.

**Other intangible assets**

Other intangible assets, including customer relations and contractual rights, that are acquired by UltranaV Denmark ApS and have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is based on the cost of an asset less its residual value.

Amortisation of customer relations is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives are 5 years.

Amortisation of contract rights is recognised in the income statement based on the expected hire period, from the date the underlying vessels are delivered. The maximum of the amortisation period is 10 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**Tangible assets**

Tangible assets are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Instalments and costs incurred during the construction period on new building contracts are capitalised as they are paid. Borrowing costs (interest) that are attributable to the construction of the vessels are capitalised and included as part of the cost. The capitalised value is reclassified from new buildings to vessels upon delivery from the yard.

Where individual components of an item of tangible assets have different useful lives, they are depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components. The expected useful lives are as follows:

- Vessels: 20 years
- Fixtures, fittings and equipment: 3 - 10 years

Depreciation is calculated on the basis of the residual value and impairment losses, if any. The useful life and residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued. The residual value of the vessels is estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton.

When changing the depreciation period or the residual value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

The carrying values of vessels and new buildings are reviewed for impairments when events or changes in circumstances indicate that the carrying value may not be recoverable. Valuations are performed frequently to ensure that the fair value of the asset does not differ materially from its carrying amount.

**Leases**

All leases are currently classified as operational lease. The payments (time-charter hire and bare-boat hire) are recognised as an expense and charged to the income statement on a straight line basis over the term of the lease.

**Investments in associates and joint ventures**

Investments in associates are recognised in the consolidated financial statements according to the equity method. Investments in associates are measured at the

proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus the proportionate share of unrealised intra-group profits and losses and plus additional value on acquisition, including goodwill. Investments in associates are tested for impairment when impairment indicators are identified.

Investments in associates with negative net asset values are measured at USD 0 (nil). If the Group has a legal or constructive obligation to cover a deficit in the associate, the remaining amount is recognised under provisions.

Amounts owed by associates are measured at amortised cost. Write-down is made for bad debt losses.

In the Parent Company investments in subsidiaries are measured at cost. Impairment tests are conducted when there is an indication of impairment. Write-down is made to the recoverable amount if this is lower than the carrying amount.

#### Impairment of non-current assets

Deferred tax assets are subject to annual impairment tests and are recognised only to the extent that it is probable that the assets will be utilised.

Impairment of vessels and new building contracts are described separately. The carrying amount of other non-current assets is tested annually for indicators of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement in a separate line item. Impairment is reversed only to the extent of changes in the assumptions and estimates underlying the impairment calculation. Impairment is only reversed to the extent that the asset's increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

#### Receivables

Receivables are measured at amortised cost less provisions for impairment losses.

#### Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense. Costs of bunkers include the transfer from equity to profit and loss on qualifying cash flow hedges.

#### Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

#### Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

#### Statement of changes in equity

##### Dividends

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The proposed dividend payment for the year is disclosed as a separate item under equity. Interim dividends are recognised as a liability at the date when the decision to pay interim dividends is made.

##### Translation reserve

The translation reserve comprises foreign exchange differences arising on translation of financial statements of entities that have a functional currency different from USD. On full or partial realisation of the net investment, the foreign exchange adjustments are recognised in the income statement.

#### Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge, and where the hedged transaction has not been realised.

#### Provisions

Provisions are recognised when Ultrana Denmark ApS has a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation has to be settled and that a reliable estimate of the obligation can be made. A provision for onerous operating leases is made to the extent the unavoidable costs of meeting the obligation exceeds the economic benefits.

#### Financial liabilities

Loans are recognised at the time the loans are obtained in the amount of the proceeds after deduction of transaction costs. In subsequent periods, the loans are recognised at amortised costs.

Other liabilities, including trade payables, payables to related parties as well as other payables, are measured at amortised cost, which corresponds to the net realizable value.

#### Deferred tax

All significant Danish entities within the Group have been entered into the Danish tonnage taxation scheme. The entries were latest renewed in 2017 for a new period of 10 years. Under the Danish tonnage taxation scheme, taxable income is not calculated on the basis of income and expenses as under the normal corporate taxation. Instead, taxable income is calculated with reference to the tonnage used during the year. The taxable income for a company for a given period is calculated as the sum of the taxable income from the activities under the tonnage taxation scheme and the taxable income from the activities that are not covered by the tonnage taxation scheme made up in accordance with the ordinary Danish corporate tax system.

If the participation in the Danish tonnage taxation scheme is abandoned or the entities' level of investment and activity is significantly reduced, a deferred tax liability will become payable.

For the taxable income which is made up in accordance to the ordinary corporate tax system, a deferred tax is recognized at the end of each period end and is accounted for

using the balance sheet liability method. Deferred tax assets, including the tax value of tax loss carry forwards, are recognised under other non-current assets at the expected value of their utilisation - either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and settle the liabilities simultaneously.

#### Cash flow statement

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

Cash flows from operating activities are calculated according to the indirect method as the profit/loss before tax adjusted for non-cash operating items, changes in working capital, interest payments, dividends and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of businesses and of intangible assets, property, plant and equipment and other non-current assets as well as acquisition and disposal of securities not classified as cash and cash equivalents.

Cash flows from financing activities comprise changes in the share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, interest payments, acquisition and disposal of treasury shares and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less at the acquisition date which are subject to an insignificant risk of changes in value.

**SIGNIFICANT ACCOUNTING ESTIMATES**

Ultrana ApS has chartered all vessels from affiliated companies in the Ultrana Group. At 31 December 2020, Management has assessed that the lease contracts are not onerous, hence no provision has been recognised. The assessment is sensitive to freight rates and idle time and adverse changes in freight rate expectations could result in recognition of onerous contract provisions.

For Ultrabulk, management's assessment of indication of impairment on vessels is based on the cash-generating units in which assets are included. Management has concluded that the entire fleet of dry bulk vessels (owned and leased) constitutes a cash generating unit, as the vessels are managed on a portfolio basis and considered to be interchangeable. Further, the vessels owned by Ultra Summit (joint venture) are generally included in the CGU.

The impairment test was carried out based on value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

The Group bases its impairment calculation on most recent budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. No terminal value has been included in the impairment tests. As time-charterers expire over the budget period, it is generally assumed that expired vessels are replaced with new time charters.

Management has assessed that there is no impairment at 31 December 2020 related to non-current assets, except for one vessel which was sold to related parties, cf. note 8. In addition, operating leases were not onerous at 31 December 2020.

**Note 2 – Revenue by business activities**

Figures in USD '000	2020	2019
Gas	105,878	102,973
Bulk	916,092	1,018,905
Other	708	104
<b>Total</b>	<b>1,022,678</b>	<b>1,121,982</b>

**Note 3 – Remuneration to the auditor appointed at the general meeting**

Figures in USD '000	2020	2019
Audit	301	227
Other assurance service	-	-
Tax consultancy	203	32
Other services	55	21
<b>Total</b>	<b>559</b>	<b>280</b>

**Note 4 – Staff costs****Staff costs, onshore employees:**

The staff cost to onshore employees are recognized under staff costs in the income statement.

Figures in USD '000	2020	2019
Fixed salaries and bonus	20,727	21,612
Pensions - defined contribution plan	1,552	1,439
Other employee expenses	935	1,094
<b>Staff costs, onshore employees</b>	<b>23,214</b>	<b>24,145</b>
Average numbers of employees	166	161

**Staff costs, crew on vessels:**

Staff costs to crew on vessels are a direct cost related to the operating costs of vessels. Therefore, the staff costs to crew is recognized in Voyage related expenses and operating costs of vessels in the income statement.

Figures in USD '000	2020	2019
Fixed salaries and bonus	19,317	20,107
<b>Total</b>	<b>19,317</b>	<b>20,107</b>
Average numbers of crew on vessels	400	413

**Remuneration of Executive Management:**

In accordance with section 98b of the Danish Financial Statements Act, remuneration to the management is not disclosed.

**Note 5 – Financial expenses, net**

Figures in USD '000	2020	2019
Interest income	1,337	1,886
Interest income from related companies	187	24
<b>Financial income</b>	<b>1,524</b>	<b>1,910</b>
Interest expense on loan	-1,186	-2,291
Interest expenses to associated companies	-	-342
Other financial items, net	-801	-1,482
<b>Financial expenses</b>	<b>-1,987</b>	<b>-4,115</b>

**Note 6 – Tax**

Figures in USD '000	2020	2019
Current tax for the year	-2,059	-1,167
Deferred tax on profit for the year	-	-836
Tax on profit for the year	-2,059	-2,003
Adjustments related to previous years - current tax	-605	465
<b>Tax in the income statement</b>	<b>-2,664</b>	<b>-1,538</b>

## Note 7 – Intangible assets

2020	Goodwill	Contractual rights	Total
<i>Figures in USD '000</i>			
Costs at 1 January, accumulated	30,168	57,453	87,621
Cost at 31 December, accumulated	30,168	57,453	87,621
Amortisation at 1 January, accumulated	-28,661	-46,266	-74,927
Amortisation	-1,507	-4,575	-6,082
Depreciation and impairment at 31 December, accumulated	-30,168	-50,841	-81,009
Carrying amount at 31 December 2020	-	6,612	6,612
<i>Figures in USD '000</i>			
Costs at 1 January, accumulated	30,168	57,453	87,621
Cost at 31 December, accumulated	30,168	57,453	87,621
Amortisation at 1 January, accumulated	-25,644	-41,336	-66,980
Amortisation	-3,017	-4,930	-7,947
Depreciation and impairment at 31 December, accumulated	-28,661	-46,266	-74,927
Carrying amount at 31 December 2019	1,507	11,187	12,694

### Assessment of impairment indicators for contractual rights:

Management have prepared an impairment test based on discounted cash flows from the operation of the relevant cash generating units to which contractual rights have been allocated. The discounted cash flow calculation is thus based on the Panamax and Supramax activities within the Ultrabulk A/S Group.

Based on the impairment test, there is no indication of impairment on contractual rights.

## Note 8 – Tangible assets

2020	Vessels	New building contracts	Fixtures, fittings, and equipment	Total
<i>Figures in USD '000</i>				
Costs at 1 January, accumulated	73,029	5,630	6,235	84,894
Additions	842	17,897	742	19,481
Disposals	-	-23,527	-634	-24,161
Cost at 31 December, accumulated	73,871	-	6,343	80,214
Depreciation and impairment at 1 January, accumulated	-10,199	-	-5,421	-15,620
Depreciation	-3,317	-	-805	-4,122
Depreciation on disposals	-	-	613	613
Impairment	-2,910	-	-	-2,910
Depreciation and impairment at 31 December, accumulated	-16,426	-	-5,613	-22,039
Carrying amount at 31 December 2020	57,445	-	730	58,175

2019	Vessels	New building contracts	Fixtures, fittings, and equipment	Total
<i>Figures in USD '000</i>				
Costs at 1 January, accumulated	97,281	1,508	5,722	104,511
Additions	21,954	4,122	513	26,589
Disposals	-46,205	-	-	-46,205
Cost at 31 December, accumulated	73,029	5,630	6,235	84,894
Depreciation and impairment at 1 January, accumulated	-12,584	-	-4,844	-17,428
Depreciation	-4,250	-	-577	-4,827
Depreciation on disposals	6,635	-	-	6,635
Depreciation and impairment at 31 December, accumulated	-10,199	-	-5,421	-15,620
Carrying amount at 31 December 2019	62,831	5,630	814	69,275

Impairment is recognised if the highest of (1) the fair value less cost to sell or (2) value in use is less than the carrying amount of the assets.

Management's assessment of indication of impairment on is based on the cash-generating units in which assets are included. Management has concluded that the entire fleet of dry bulk vessels (owned and leased) constitutes a cash generating unit, as the vessels are managed on a portfolio basis and considered to be interchangeable. Further, the vessels owned by Ultra Summit (joint venture) are generally included in the CGU.

At the end of 2020 the market value (broker valuations) were below the carrying amount of the Group's three owned vessels. This is considered an impairment indicator and therefore Management has prepared an impairment test for the dry bulk fleet, consisting of owned vessels carrying amount of USD 41.5 million (2019: USD 62.8 million) and vessels owned by Ultra Summit, and related net working capital etc.

The impairment test was carried out based on value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

The Group bases its impairment calculation on most recent budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. No terminal value has been included in the impairment tests. As time-charterers expire over the budget period, it is generally assumed that expired vessels are replaced with new time charters.

At 31 December 2020, a pre-tax discount rate of 8.0% has been applied. The discount rate has been determined by Management based on market input and taking into consideration the business model applied by the Group, including having a coverage through long term cargo contracts with customers.

Management's expected rates (income) for open vessel days (uncovered capacity) for the budget period is the Company's own (internal) rate model, which is supported by estimates from external research companies. In establishing those, consideration is given to external economic analysis, and the internal rate assumptions include amongst other things scrapping of old tonnage as well as increased demand. The internal rates are to the extent available tested against information from external parties (brokers) and the historical long-term rate development.

The corona virus outbreak and new lockdowns continue to poses a downside risk to demand for vessels. Due to the uncertainty, it is not possible to predict the outcome, but over the budget period of five years, no significant effect to the world economy and thereby (indirectly) demand for our vessels, is expected.

As an indicator of the sensitivity, a downward fluctuation of the EBITDA 5% would, all other things being equal, give rise to a reduced value in use of USD 18.6 million. Furthermore, the application of a WACC of 9.0% instead of 8.0% would, all other things being equal, result in a reduced value in use of USD 12.9 million. An impairment loss of USD 2.9 million has been recognised in relation to one vessel which has been sold to a related party with delivery in 2021.

## Note 9 – Investment in associates

<i>Figures in USD '000</i>	2020	2019
Cost at 1 January, accumulated	1,800	1,800
Cost at 31 December, accumulated	1,800	1,800
Value adjustment 1 January, accumulated	231	830
Share of result in associated companies after tax	335	-404
Exchange rate adjustment	83	195
Dividends	-288	-128
Impairment	-	-262
Value adjustment 31 December, accumulated	360	231
Carrying amount at 31 December	2,160	2,031

<i>Figures in USD '000</i>	Registered office	Ownership
Name		
Pérola S.A.	Brazil	20%
Unigas International B.V.	Holland	33%
Ultraship Crewing Philippines Inc.	Philippines	25%

Pérola S.A. is in the process of formal liquidation. The carrying amount of USD 0.8 million is the expected liquidation proceeds of Perola, when the entity is fully liquidated.

## Note 10 – Investment in joint ventures

Figures in USD '000	2020	2019
<b>Cost at 1 January</b>	<b>23,825</b>	<b>23,825</b>
<b>Cost at 31 December</b>	<b>23,825</b>	<b>23,825</b>
Value adjustment 1 January	1,454	1,757
Share of result in joint venture after tax	-7,088	-303
Value adjustment 31 December	-5,634	1,454
<b>Carrying amount at 31 December</b>	<b>18,191</b>	<b>25,279</b>

The carrying amount can be specified as follows:

Figures in USD '000	2020	2019
Ultra Summit (Singapore) Pte. Ltd., 50%	18,191	25,279

Ultra Summit (Singapore) Pte. Ltd. owns four vessels, all of which are chartered out to Ultrabulck. Three of the vessels are part of the cash generating unit for Ultrabulck's fleet cf. note 8. Management have prepared an impairment test of the other vessel based on the same assumption as described in note 8. The impairment test shows an impairment loss of USD 6.3 million which have been included in the share of result for the year. Changes to the assumptions would not significantly change the profit for the Group.

## Note 11 – Trade and other receivables

Figures in USD '000	2020	2019
Trade receivables	41,523	47,722
Other receivables	29,070	24,271
<b>Total</b>	<b>70,593</b>	<b>71,993</b>

## Note 12 – Restricted cash

Figures in USD '000	2020	2019
Cash and cash equivalents	77,729	93,196
Restricted cash related to deposits in favour of clearing houses	5,128	1,080
<b>Cash and cash equivalents, including restricted cash</b>	<b>82,857</b>	<b>94,276</b>

## Note 13 – Share capital

The share capital is split in 602,490 shares a 100 DKK and 6,000,000 shares a 10 DKK, in total a nominal share capital of 120,249,000 DKK. There have been no changes in the share capital over the last 5 years.

## Note 14 – Non-controlling interests

Figures in USD '000	2020	2019
<b>Non-controlling interests at 1 January</b>	<b>5,385</b>	<b>5,197</b>
Share of net result	-569	145
Share of change in equity	-337	43
<b>Non-controlling interests at 31 December</b>	<b>4,479</b>	<b>5,385</b>

## Note 15 – Interest bearing loans and borrowings

Figures in USD '000	2020	2019
Long term part	18,175	28,486
Current part	11,245	3,699
<b>Loans at 31 December</b>	<b>29,420</b>	<b>32,185</b>
Part of long-term liabilities, payable after 5 years	3,539	15,135

## Note 16 – Trade and other payables

Figures in USD '000	2020	2019
Trade payables	46,334	62,594
Accrued expenses	5,588	4,300
Deferred income	36,198	21,054
<b>Total</b>	<b>88,120</b>	<b>87,948</b>

## Note 17 – Adjustment for non-cash operating items (Cash-flow)

Figures in USD '000	2020	2019
Gain/(loss) from sale of vessels, net	-4,252	-457
Depreciation and impairment loss	13,114	12,774
Share of gain/loss in associated companies	310	1,311
Share of gain/loss in joint venture	7,088	303
Interest expenses on loan	1,047	2,632
Net forward contract activity	79	225
Other non-cash operating items	851	-122
<b>Total</b>	<b>18,237</b>	<b>16,666</b>

## Note 18 – Change in working capital (Cash-flow)

Figures in USD '000	2020	2019
Changes in receivables	-6,152	2,117
Changes in inventories	9,953	4,956
Changes in liabilities	-3,740	4,496
<b>Total</b>	<b>61</b>	<b>11,569</b>

## Note 19 – Contractual obligations and contingent liabilities

Figures in USD '000	2020	2019
Lease commitments (operational lease) within 1 year	361,712	335,508
Lease commitments (operational lease) between 1 - 5 years	612,065	644,242
Lease commitments (operational lease) more than 5 years	55,958	131,354
<b>Total lease commitments</b>	<b>1,029,735</b>	<b>1,111,104</b>

The Group is engaged in certain litigation proceedings. In the opinion of management, settlement or continuation of these proceedings are not expected to have a material effect on the financial position, operating profit or cash flow.

The Ultrana Denmark ApS Group's Danish subsidiaries are joint registered in relation to VAT. The companies are jointly and severally liable for VAT under the registration.

### Joint taxation

The Danish companies in the Group are in joint taxation with the other Danish companies in the Naviera Ultrana Group.



## Note 20 – Use of financial instruments

As part of hedging of recognized and non-recognized transactions the Group uses hedging instruments.

### Bunker hedges

Ultrabulk has entered into contracts in order to hedge future bunker expenses. The contracts are accounted for as cash flow hedges, when the criteria is in compliance with the criteria for cash flow hedge accounting.

The bunker hedges are entered simultaneously with the Contracts of Affreightment (CoA), as part of the Group's risk management. The bunker hedges cover the bunker expenses in connection with the CoA and the duration of the bunker hedge is therefore similar to the duration of the CoA. The trade dates are between 01.01.2021 and 31.12.2026, and 60% is realised within 1 year and 15% is realised within 1-2 years. The nominal value as at 31.12.2020 is USD 40.5 million and a drop in bunker prices with 10% will have a negative impact of USD 4 million on equity.

The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. Hedge ineffectiveness can arise from differences in timing of the cash flows as well as changes to the forecasted amounts. No ineffectiveness has been recognised.

### FFA hedges

Ultrabulk has entered into contracts in order to hedge future cargo and vessel commitments. The contracts are accounted for as cash flow hedges, when the criteria's are in compliance with the criteria for hedge accounting.

The FFA hedges are entered simultaneously with the cargo and vessel commitments as part of the Group's risk management. The trade dates are between 01.01.2021 and 31.12.2022 and 70% is realised within 1 year and 30% is realised within 1-2 years. The nominal value as at 31.12.2020 is USD 34.7million and a drop in freight rates with 10% will have a positive impact of USD 3 million on equity.

The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. Hedge ineffectiveness can arise from price difference between the Baltic Dry and the actual freight rates and difference in number of days and timing of cash flows. No ineffectiveness has been recognised.

### Interest rate risks

Interest rate risks concern the interest-bearing financial assets and liabilities of Ultranav. The interest-bearing financial assets consist primarily of cash in financial institutions and the interest-bearing liabilities mainly consist of mortgage debt. Interest rate risks occur when interest rate levels change and/or if the pricing, which the subsidiary, Ultrabulk, has agreed with the financial institutions changes. At 31 December 2020, 43% of the Ultrabulk's interest-bearing debt (31 December 2019: 42%) carried a floating rate, defined as duration of more than one year.

### Hedge accounting reserve in equity

The hedge accounting reserve in equity is related to cash flow hedging financial derivatives and amount to USD -1.5 million (31 December 2019: USD -4.3 million).

## Note 21 – Related party disclosures

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

### Ownership:

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the voting rights or minimum 5% of the share capital:

The ultimate holding company of Ultranav Denmark ApS is Naviera Ultranav Limitada, Av. El Bosque Norte 500 Piso 19-20, 7550092 Las Condes, Santiago Chile.

## Definition of key figures and financial ratios

The ratios listed in the key figures and financial ratios section were calculated as follows:

Gross profit margin	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Operating margin before depreciation, amortization, and impairment loss (EBITDA margin)	=	$\frac{\text{Operating loss before depreciation, amortization, and impairment (EBITDA)} \times 100}{\text{Revenue}}$
Equity ratio	=	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity (ROE)	=	$\frac{\text{Profit or loss for the year} \times 100}{\text{Average equity}}$

## ULTRANA V DENMARK APS – PARENT COMPANY

### INCOME STATEMENT

<i>Figures in USD '000</i>	Note	2020	2019
Other external expenses	2	-165	-60
<b>Operating profit/(loss) (EBIT)</b>		<b>-165</b>	<b>-60</b>
Result from investments in subsidiaries		10,485	5,739
Financial expenses & other financial items, net		94	-547
<b>Profit/(loss) before tax</b>		<b>10,414</b>	<b>5,131</b>
Tax		-450	278
<b>Net result</b>	4	<b>9,964</b>	<b>5,409</b>

### BALANCE SHEET

<i>ASSETS</i>	Note	2020	2019
<i>Figures in USD '000</i>			
Investment in subsidiaries	3	171,165	165,365
Loans to subsidiaries		5,450	8,650
<b>Total non-current assets</b>		<b>176,615</b>	<b>174,015</b>
Other receivables		246	2,505
Intercompany receivables		73	2,600
Cash and short-term deposits		1,266	427
<b>Total current assets</b>		<b>1,585</b>	<b>5,531</b>
<b>TOTAL ASSETS</b>		<b>178,200</b>	<b>179,546</b>

<i>Figures in USD '000</i>	Note	2020	2019
Share capital		20,577	20,577
Retained earnings		157,528	147,555
<b>Total equity</b>	4	<b>178,105</b>	<b>168,132</b>
Trade and other payables		95	513
Intercompany payables		-	10,900
<b>Total current liabilities</b>		<b>95</b>	<b>11,413</b>
<b>Total liabilities</b>		<b>95</b>	<b>11,413</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>178,200</b>	<b>179,546</b>

## STATEMENT OF CHANGES IN EQUITY

<i>Figures in USD '000</i>				
	Share capital	Retained earnings	Proposed dividend	Total equity
<b>Equity at 1 January 2020</b>	<b>20,577</b>	<b>147,555</b>	-	<b>168,132</b>
Net result for the year	-	9,964	-	<b>9,964</b>
Other changes	-	9	-	<b>9</b>
<b>Equity at 31 December 2020</b>	<b>20,577</b>	<b>157,528</b>	-	<b>178,105</b>

<i>Figures in USD '000</i>				
	Share capital	Retained earnings	Proposed dividend	Total equity
<b>Equity at 1 January 2019</b>	<b>20,577</b>	<b>142,155</b>	-	<b>162,732</b>
Net result for the year	-	5,409	-	<b>5,409</b>
Other changes	-	-9	-	<b>-9</b>
<b>Equity at 31 December 2019</b>	<b>20,577</b>	<b>147,555</b>	-	<b>168,132</b>

### Note 1 – Accounting policies

The Parent Company's financial statement for Ultrana Denmark ApS is pursuant to the provisions for Class C enterprises of the Danish Financial Statements Act.

The accounting policies of the Parent Company financial statements are unchanged compared to last year.

The Company's business and underlying investments is primarily based on US Dollar. Based on this, the company has designated the US Dollar its functional and reporting currency. Consequently, all amounts are recognized in US Dollar. For 2020 the average USD/DKK rate of exchange was 653.43 and the closing rate on 31 December 2020 was 605.76.

#### Income statement and balance sheet

##### Dividends from investment in subsidiaries

Dividend from investments in subsidiaries and associates are recognised as income in the Parent's income statement under financial income in the financial year in which dividends are declared.

##### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Impairment tests are conducted when there is an indication of impairment. Write-down is made to the recoverable amount if this is lower than the carrying amount.

### Note 2 – Other external expenses

With regards of remuneration of management, please refer to the consolidated financial statement on page 28.

In accordance with section 96 para 3 of the Danish Financial Statements Act, the company has not disclosed the remuneration to the auditors for the parent company. Please refer to note 3 in the consolidated financial statements.

### Note 3 – Investment in subsidiaries

<i>Figures in USD '000</i>	2020	2019
<b>Cost at 1 January</b>	<b>165,365</b>	<b>151,865</b>
Additions for the year	5,800	13,500
<b>Cost at 31 December</b>	<b>171,165</b>	<b>165,365</b>
<b>Impairments at 1 January</b>	-	-
Impairment for the year	-	-
<b>Impairments at 31 December</b>	-	-
<b>Carrying amount at 31 December</b>	<b>171,165</b>	<b>165,365</b>

Name	Registered office	Ownership
Ultrabulk A/S	Gentofte	97%
Ultragas ApS	Gentofte	100%
Ultratank Shipping ApS	Gentofte	100%
Ultrana Business Support ApS	Gentofte	100%

Refer to the consolidated group chart on page 7 for the complete overview of investments in Ultrana Denmark ApS.

Management has made an impairment test of the investments in subsidiaries based on discounted cash flows from the operation for the relevant cash generating unit. The significant assumptions are freight rates in Bulk and Gas as well as the discount rate.

The impairment test calculation shows no impairment loss.

### Note 4 – Allocation of result

<i>Figures in USD '000</i>	2020	2019
Retained earnings	9,964	5,409
<b>Allocation of result for the year</b>	<b>9,964</b>	<b>5,409</b>

## Note 5 – Contingent liabilities

UltranaV Denmark ApS has confirmed that it will provide liquidity to Ultragas ApS, as may be necessary for Ultragas ApS to meet its obligations as they fall due. This commitment is valid until 1, January 2022.

The Parent Company is in joint taxation with other companies in the Group.

## Note 6 – Related party disclosures

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

### **Ownership:**

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the voting rights or minimum 5% of the share capital:

The ultimate holding company of UltranaV Denmark ApS is Naviera UltranaV Limitada, Av, El Bosque Norte 500 Piso 19-20, 7550092 Las Condes, Santiago Chile.