**Ultragas ApS**

**Smakkedalen 6, 2820 Gentofte**

# Annual report 2015

*Date:*
31 March 2016

*Chairman of the meeting:*
Carsten Haagensen

CVR-nr./CVR no. 34 09 34 82

## *Contents*

# Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ultragas ApS for the financial period 1 January 2015 – 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and its financial position.

We recommend that the annual report be approved at the annual general meeting.

Gentofte, 25 February 2016

Executive Board:

Anders H. Rasmussen

Board of Directors:

| | | |
|---|---|---|
| Dag Von Appen Burose<br>Chairman | Enrique Reinaldo Ide<br>Valenzuela | Carsten Haagensen |

# Independent auditors' report

## To the shareholders of Ultragas ApS

### Independent auditors' report on the financial statements

We have audited the financial statements of Ultragas ApS for the financial period 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations and cash flows for the financial period 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

## Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 25 February 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR-no. 30700228

| | |
|---|---|
| Torben Bender | Thomas Bruun Kofoed |
| State Authorised | State Authorised |
| Public Accountant | Public Accountant |

# Management's review

## Company details

Ultragas ApS
Smakkedalen 6, 2820 Gentofte, Denmark

| | |
|---|---|
| Telephone: | +45 6996 2110 |
| Website: | www.Ultragas.dk |
| CVR no.: | 34 09 34 82 |
| Established: | 29 december 2011 |
| Registered office: | Gentofte, Denmark |
| Financial year: | 1 January - 31 December |

### Board of Directors

Dag Karl Albert Von Appen Burose, Santiago, Chile - *Chairman*
Enrique Reinaldo Ide Valenzuela, Santiago, Chile
Carsten Haagensen, Hellerup, Denmark

### Executive Board

Anders Hallund Rasmussen, CEO

### Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
P.O. Box 250
DK-2000 Frederiksberg

### Annual general meeting

The annual general meeting is to be held on 31 March 2016.

# Management's review

## Financial highlights

| USD'000 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|
| **Key figures** | | | | |
| Revenue | 138,213 | 93,741 | 94,044 | 77,725 |
| Ordinary operating profit/(loss) | 15,790 | 6,845 | -872 | 3,432 |
| Net profit from financial income and expenses | -1,124 | -3,428 | 632 | 654 |
| **Profit/(loss) for the year** | **14,588** | **3,355** | **-381** | **3,926** |
| Non-current assets | 1,481 | 1,462 | 2,350 | 1,662 |
| Current assets | 24,426 | 15,105 | 15,877 | 8,536 |
| **Total assets** | **25,908** | **16,567** | **18,227** | **10,198** |
| Share capital | 37 | 37 | 37 | 37 |
| **Equity** | **22,444** | **7,954** | **4,789** | **5,094** |
| Current liabilities other than provisions | 3,463 | 8,613 | 13,438 | 5,104 |
| Cash flows from operating activities | 11,308 | 3,706 | 4,051 | 1,573 |
| Cash flows from investing activities | -1,097 | 2,591 | -38 | 186 |
| Portion relating to investment in property, plant and equipment | 49 | 50 | 97 | 191 |
| Cash flows from financing activities | -129 | -22 | -17 | -10 |
| **Total cash flows** | **10,082** | **-6,319** | **3,996** | **1,749** |
| **Financial ratios** | | | | |
| Operating margin | 11.4 | 7.2 | -1.0 | 4.3 |
| Gross margin | 13.8 | 10.6 | 3.5 | 8.1 |
| Current ratio | 705,2 | 175.4 | 118.2 | 167.2 |
| Solvency ratio | 86,6 | 48.0 | 26.3 | 50.0 |
| Return on equity | 96.0 | 52.6 | -7.7 | 125.4 |
| US$/DKK rate at year end | 683.00 | 612.14 | 560.96 | 565.91 |
| Average US$/DKK rate | 672.68 | 561.90 | 541.27 | 579.28 |
| **Average number of full-time employees** | 8 | 6 | 14 | 9 |

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin $$\frac{\text{Operating profit}}{\text{Revenue}} \text{ x } 100$$

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

Current ratio $$\frac{\text{Curent assets}}{\text{Curent liabilities}} \text{ x } 100$$

Solvency ratio $$\frac{\text{Equity at year end}}{\text{Total equity and liabilities at year end}} \text{ x } 100$$

Return on equity $$\frac{\text{Profit from ordinary activities after tax}}{\text{Average equity}} \text{ x } 100$$

# Management's review

## Operating review

### Principal activities

The object for Ultragas ApS is to perform full integrated ship owning operation of primarily LPG/Chemical Gas Carriers, in worldwide trade and to engage in other related activities.

### Performance and result for the year

Ultragas is a ship owning company and operates under the Danish Tonnage Tax scheme with the immediate purpose of fully operating the gas tankers fleet of Othello Shipping Company S.A. Ultragas established on the 7 February 2014 a subsidiary company UltraShip ApS to perform technical management for the fleet as well as technical supervision for affiliated companies within the Ultranav Group.

Ultragas operates under a bare boat structure via which it has bare boat chartered all the Othello Shipping Company's fleet of LPG/Chemical Gas Carriers, except for four vessels which are on time charter. The technical management for the bare boated vessels has until recently been performed by external management company, but by mid-2016 it is envisaged that all, but three vessels will have been transferred to UltraShip ApS. By the end of 2015 UltraShip had taken 13 vessels in technical management.

UltraShip recruits the majority of the crew from UltraShip Crewing Phils., Inc., former Othello-Micomar in the Philippines in which Ultragas holds a substantial stake. UltraShip Crewing Phils., Inc. is owned and operated together with a local crew recruiting company.

At year end 2015, Ultragas operated 21 LPG carriers ranging in size from 3,500 to 22,000 cbm consisting of two pressurized vessels and 19 semi-refrigerated vessels, of which four are capable of carrying ethylene. The vessels were engaged in both regional and deep sea trades. During 2015, Ultragas redelivered Baltic Gas and Polargas from respective Bare Boat and Time Charter to Othello Shipping Company due to sale.

The commercial operation of the smaller semi-refrigerated and pressurized fleet is performed by Unigas International in Rotterdam, an operation which Ultragas owns equally together with two other partners. Unigas is a leading operator in the segment up to 15,000 cbm and operated by the end of the year a total of 39 modern LPG and Ethylene carriers of which 13 units are provided by Ultragas. The Partners will in 2016 and 2017 add another three 12,000 cbm Ethylene new-buildings to the operation of which one will be supplied by Ultragas ApS sourced via Bare Boat Charters from Othello Shipping Company S.A.

The handy fleet above 15,000 cbm is commercially operated by own in-house organization and by the end of the year Ultragas operated nine vessels which placed Ultragas as leading and the second largest operator in the handy segment.

Ultragas ApS took in 2015 further four vessels on Bare Boat chartered from Othello Shipping Company S.A. The 22,000 cbm semi-refrigerated LPG carrier new buildings "Adriatic Gas, Balearic Gas and Celtic Gas" and the 12,000 cbm Ethylene carrier "Happy Albatross" were all delivered to Ultragas ApS in 2015 straight from the yard. Ultragas ApS will in 2016 take further four new buildings on Bare Boat from Othello Shipping Company S.A., three 22,000 semi-refrigerated LPG carriers and one 12,000 cbm Ethylene carrier.

# Management's review

The net profit for the year is below original expectation reaching MUSD 14.6 against a budget of MUSD 19.2 but is still considered satisfactory. Earnings into the Unigas pool was slightly lower than expected and the distribution from the pool was further negatively affected by considerable off hires in connection with change of technical management resulting in a general lower income from the Unigas pool than expected. The larger handy vessel performed also below expectation mainly due to sale of vessels and especially late delivery of new buildings from Othello Shipping Company S.A. Operating costs were slightly below budget after correction for vessels sale and late delivery of new buildings. The result from share of result in associates was affected by negative result from UltraShip which is due to extraordinary building-up costs in connection with establishing the new technical organization. The company has made an intra-group contribution of MUSD 1.6 to UltraShip ApS to cover the cost of establishment of the new organization.

The gas shipping market performed better than feared in 2015 and overall kept the fleet well employed at acceptable earning levels. The main reasons for the market kept unexpected up were less supply of tonnage than expected due to heavy delays of new buildings entering the market and a volatile crude oil market affecting all related products including petrochemicals. Unexpected arbitrage opened up and generated new trades lanes and in turn more tons miles. By the end of the year the falling crude oil prices started to influence the market negatively and a more caution attitude was adopted by the players.

### Health, safety and environment

Ultragas are focused on safe operation of the fleet and to ensure a healthy working environment for all employees. The safety and well-being of the employees has a high priority and the Company aims to continuously provide and enhance healthy and high quality working conditions.

Human capital is a core asset and it is important for the Company to keep qualified and motivated employees.

The Company will continue to have focus on environment issues and through close fleet performance monitoring to ensure optimum speed and fuel consumption with the view of reducing the fleet's emission. Attention is also given to necessary systems and equipment impacting the environment.

The Company has not prepared an own policy for social responsibility.

## Outlook

The outlook for 2016 is blurred. The considerable number of new buildings entering the market will increase supply considerable at the same time where the global economic growth seem to be much less than expected and affect shipping volumes negatively. The volatile crude oil prices will likely continue in 2016 and continue to create uncertainty amongst the players which may put a damper on trading and shipping activity. The 2016 result is expected to be higher than what was achieved in 2015 due to increased number of operated vessels, but the result of each individual vessel is expected to be lower.

# Management's review

## Subsequent events

Ultragas has since 1 January 2016 redelivered the semi-refrigerated LPG carrier "Patagoniagas" to Othello Shipping Company S.A. due to sale. No other significant events have occurred after the balance sheet date that materially affects the financial position of the Company.

# Financial statements for the period 1 January – 31 December

## Accounting policies

The annual report of Ultragas ApS for 2015 has been prepared in accordance with the provisions applying to reporting class C medium enterprises under the Danish Financial Statements Act.

The company does not prepare a consolidated financial statement, as the company and it's subsidiary are included in the consolidated financial statement of Ultranav ApS.

The company's business is primarily based on the US Dollar. All income in the form of freight income is in US Dollar, and most costs are in US Dollars as well. Based on this, the company has designated the US Dollar its functional and reporting currency. Consequently, all amounts are recognized in US Dollar.

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

The accounting policies are consistent with those for last year.

### Foreign currency translation

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

Receivables, payables and other monetary items denominated in foreign currencies are translated 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 financial statements is recognised in the income statement as financial income or financial expenses.

## Income statement

### Freight income

The freight income reflects the income earned by the vessels owned by the Group operating within the Unigas International corporation and own operated ships.

The aggregated gross earnings in Unigas International coorporation have been adjusted for general expenses, insurance premiums, financial charges, interest and the adjustments for foreign exchange variances. An appraisal of demurrages receivable has been included in the results.

The functional currency of the coorporation is US Dollars. Conversions of other currencies have been accounted for and translated into US Dollars and advances and/or final settlements towards individual members have been affected in this currency.

The total voyage results have been translated into US Dollars at fixed accounting rates, which, during the year, were updated monthly.

# Financial statements for the period 1 January – 31 December

## Accounting policies

All accounts receivable and liabilities other than in US Dollars have been converted at the exchange rate ruling at the balance sheet date.

For vessels on time charter and bareboat contracts, income is recognised upon delivery of the services in accordance with the charter parties concluded.

### Voyage related cost

Voyage related expenses includes boareboat hire, bunker expenses, port expenses including pilotage, towage, agency fee, survey, stevedoring and cleaning and other costs incidental to the commercial operation of the vessels are recognised under a percentage of completion basis.

### Operational and crewing related cost

Operating expenses and crewing costs include costs incidental to the technical and crewing management of the vessels and are recognised under the accruals concept.

### Administrative expenses

Administrative expenses comprise expenses incurred during the year for company management and administration, including expenses for administrative staff, management, office premises and office expenses, and depreciation.

### Other operating income

Other operating income comprises items secondary to the activities of the Company.

### Other operating costs

Other operating costs comprise items secondary to the activities of the Company.

### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

## Balance sheet

### Property, plant and equipment

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment   3-5 years

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as depreciation.

### Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are treated as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingencies, etc.

### Financial assets

Investments in subsidiaries and associates are measured according to the equity method.

Investments in subsidiaries and associates are measured in the balance sheet at the proportionate share of the enterprises' net asset value calculated in accordance with the company's accounting policies.

# Financial statements for the period 1 January – 31 December

## Accounting policies

### Inventories

Inventories comprise inventories of lubricant oil on board the vessels. Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

### Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

### Equity – dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

### Corporation tax and deferred tax

Ultragas ApS is jointly taxed with the parent company Ultranav ApS and the parent company 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. In relation to the shipping activities Ultragas ApS participates 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.

# Financial statements for the period 1 January – 31 December

## Accounting policies

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 entries directly under comprehensive income is recognised directly in equity.

### Liabilities other than provisions

Financial liabilities which comprises of trade payable and payables to associated companies are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less that are readily convertible to cash and are subject to an insignificant risk of changes in value.

# Financial statements for the period 1 January – 31 December

## Income statement

| USD'000 | Note | 2015 | 2014 |
|---|---|---|---|
| Freight income | | 138,213 | 93,741 |
| Vessel hire | | -67,205 | -43,897 |
| Voyage related cost | | -16,831 | -5,570 |
| Operating cost | | -15,160 | -17,472 |
| Crewing cost | | -21,456 | -17,157 |
| Other income | | 1,452 | 311 |
| **Gross profit** | | 19,013 | 9,956 |
| Administrative expenses | 1 | -3,223 | -3,111 |
| **Ordinary operating profit** | | 15,790 | 6,845 |
| Depreciations | 5 | -58 | -90 |
| **Operating profit** | | 15,732 | 6,755 |
| Share of result in subsidiaries and associates | 6 | -883 | -3,292 |
| Financial income | 2 | 23 | 51 |
| Financial expenses | 3 | -264 | -187 |
| **Profit before tax** | | 14,608 | 3,327 |
| Tax on profit for the year | 4, 11 | -20 | 29 |
| **Profit for the year** | | 14,588 | 3,355 |

## Proposed profit appropriation

| | 2015 | 2014 |
|---|---|---|
| Transfer to Reserve for revaluation under equity method | 0 | -790 |
| Retained earnings | 14,588 | 4,145 |
| | 14,588 | 3,355 |

# Financial statements for the period 1 January – 31 December

## Balance sheet

| USD'000 | Note | 2015 | 2014 |
|---|---|---|---|
| **ASSETS** | | | |
| **Property, plant and equipment** | 5 | | |
| Fixtures and fittings, tools and equipment | | 75 | 182 |
| | | 75 | 182 |
| **Investments** | | | |
| Investments in associates and subsidaries | 6 | 1,331 | 1,142 |
| Other long-term assets | | 75 | 138 |
| | | 1,406 | 1,280 |
| **Total non-current assets** | | 1,481 | 1,462 |
| **Current assets** | | | |
| Inventories | | 1,067 | 1,536 |
| | | 1,067 | 1,536 |
| **Receivables** | | | |
| Trade receivables | | 6,967 | 9,180 |
| Insurance claims | | 3,547 | 1,100 |
| Receivables from related parties | | 1,838 | 2,726 |
| Other receivables | | 330 | 86 |
| Prepayments | 7 | 596 | 477 |
| | | 13,278 | 13,569 |
| **Cash at bank and in hand** | | 10,082 | 0 |
| **Total current assets** | | 24,426 | 15,105 |
| **TOTAL ASSETS** | | 25,908 | 16,567 |

# Financial statements for the period 1 January – 31 December

## Balance sheet

| USD'000 | Note | 2015 | 2014 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 8 | 37 | 37 |
| Reserve for revaluation under equity method | | 0 | 0 |
| Retained earnings | | 22,407 | 7,917 |
| **Total equity** | | 22,444 | 7,954 |
| | | | |
| **Current liabilities other than provisions** | | | |
| Debt to related party | | 325 | 160 |
| Prepayments received from customers | | 385 | 4,674 |
| Trade payables | | 2,689 | 3,110 |
| Short term, bank debt | | 0 | 603 |
| Other payables | | 65 | 66 |
| | | 3,464 | 8,613 |
| **Total liabilities other than provisions** | | 3,464 | 8,613 |
| **TOTAL EQUITY AND LIABILITIES** | | 25,908 | 16,567 |

| | |
|---|---|
| **Contractual obligations** | 9 |
| **Related party disclosures** | 10 |
| **Contingent liabilities** | 11 |
| **Disclosure of events after the balance sheet date** | 12 |

# Financial statements for the period 1 January – 31 December

## Statement of changes in equity

| USD'000 | Share capital | Reserve for revalua-tion under equity method | Retained earnings | Total |
|---|---|---|---|---|
| Equity at 1 January 2014 | 37 | 980 | 3,772 | 4,789 |
| Foreign currency related to associcates | 0 | -190 | 0 | -190 |
| Transferred, see profit appropriation | 0 | -790 | 4,145 | 3,355 |
| **Equity at 31 December 2014** | 37 | 0 | 7,917 | 7,954 |
| Equity at 1 January 2015 | 37 | 0 | 7,917 | 7,954 |
| Foreign currency related to associcates | 0 | 0 | -98 | -98 |
| Transferred, see profit appropriation | 0 | 0 | 14,588 | 14,588 |
| **Equity at 31 December 2015** | 37 | 0 | 22,407 | 22,444 |

# Financial statements for the period 1 January – 31 December

## Cash flow statement

| USD'000 | 2015 | 2014 |
|---|---|---|
| Operating profit | 14,608 | 3,326 |
| Loss on sale of assets | 17 | 26 |
| Depreciation and amortisation | 41 | 64 |
| Interest received | -23 | 0 |
| Interest paid | 264 | 22 |
| Exchange rate adjustment | -136 | 0 |
| Share of income from investments in subsidiaries and associates | 883 | 3,293 |
| **Changes in working capital:** | | |
| Inventories | 469 | 123 |
| Trade receivables | 2,213 | -2,598 |
| Other receivables | -2,746 | -3,166 |
| Trade and other payables | -1,046 | -479 |
| Prepayments received from customers | -4,289 | 3,823 |
| Debt to related party, net | 1,053 | -8,140 |
| **Cash flows from operating activities** | 11,308 | -3,706 |
| Acquisition of property, plant and equipment | 0 | -50 |
| Disposal of property, plant and equipment | 49 | 135 |
| Investments in subsidiaries and associates | -1,600 | -4,159 |
| Interest received | 23 | 0 |
| Dividend received | 431 | 1,482 |
| **Cash flows from investing activities** | -1,097 | -2,591 |
| Interest paid | -129 | -22 |
| **Cash flows from financing activities** | -129 | -22 |
| **Net cash flows for the year** | 10,082 | -6,319 |
| Cash and cash equivalents at 1 January | 0 | 6,319 |
| **Cash and cash equivalents at 31 December** | 10,082 | 0 |

# Financial statements for the period 1 January – 31 December

## Notes to the financial statements

| | USD'000 | 2015 | 2014 |
|---|---|---|---|
| 1 | **Costs** | | |
| | Wages and salaries | 1,324 | 1,105 |
| | Pensions | 205 | 198 |
| | Other social security costs | 6 | 10 |
| | | 1,535 | 1,313 |
| | Average number of full-time employees | 8 | 6 |
| 2 | **Financial income** | | |
| | Interest income related parties | 19 | 49 |
| | Interes income, banks | 4 | 2 |
| | | 23 | 51 |
| 3 | **Financial expenses** | | |
| | Foreign exchange losses | 136 | 151 |
| | Other financial cost | 128 | 36 |
| | | 264 | 187 |
| 4 | **Tax on the profit for the year** | | |
| | Current tax for the year | 20 | -29 |
| | | 20 | -29 |

# Financial statements for the period 1 January – 31 December

## Notes to the financial statements

| USD'000 | 2015 |
|---|---|
| **5 Property, plant and equipment** | |
| **Fixtures and fittings, tools and equipment** | |
| Cost at 1 January | 236 |
| Additions | 0 |
| Disposals | -104 |
| Cost at 31 December | 132 |
| Depreciation at 1 January | -54 |
| Depreciation | -41 |
| Disposals | 38 |
| Depreciation at 31 December | -58 |
| **Carrying amount at 31 December** | 75 |
| | |
| Depreciation for the year | -41 |
| Loss from sales of assets | -17 |
| Depreciations included in Income statement | -58 |

**6 Investments in associates and subsidaries**

| USD'000 | Associates | Subsidiary |
|---|---|---|
| Cost at 1 January | 414 | 4,159 |
| Additions | 0 | 1,600 |
| Correction cost to value adjustment | -20 | 0 |
| Cost at 31 December | 394 | 5,759 |
| Value adjustments at 1 January | 550 | -3,981 |
| Correction cost to value adjustment | 20 | 0 |
| Correction prev. years result | 45 | 0 |
| Share of the years result | 676 | -1,603 |
| Dividend for the year | -431 | 0 |
| Currency adjustment | -98 | 0 |
| Value adjustments at 31 December | 762 | -5,584 |
| **Carrying amount at 31 December** | 1,156 | 175 |

Investments in associates includes:

Unigas International B.V., Rotterdam, owner's share 33%
Unigas International Limited, Hong Kong, owner's share 33%*
Othello-Micromar Philippines Inc., Philippines Inc., owner's share 25%*

*2014 figures included above

Investments in subsidiary includes: UltraShip ApS, Gentofte, Denmark, owner's share 100%

# Financial statements for the period 1 January – 31 December

## Notes to the financial statements

| USD'000 | 2015 | 2014 |
|---|---|---|
| **7 Prepayments** | | |
| Other prepaid costs | 596 | 477 |
| | 596 | 477 |

**8 Share capital**

The share capital comprises 21,000 shares of DKK 10 each. All shares rank equally.

There have been no changes in the shares capital since fouding of the company in 2011.

**9 Contractual obligations**

**Operating lease obligations**

Lease obligations (operating leases) regarding vessels:

| USD’000 | |
|---|---|
| >1 year | 62,496 |
| 1-5 years | 111,696 |
| <5 | 121,550 |
| | 295,742 |

Other lease obligations (operating leases) is total USD 591 thousand of which USD 170 thousand are falling due within 1 year.

## Notes to the financial statements

### 10 Related party disclosures

Ultragas ApS is a wholly owned subsidiary of Ultranav ApS, which is a part of Navieras Ultranav Ltda. group located in El Bosque Norte 500, Piso 20 Las Condes, Santiago, Chile.

**Parties exercising control**

Parties exercising control is associated companies of Ultranav Group, management in Ultragas ApS and associated companies in which the above have significant influence.

**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:

Ultranav ApS, Smakkedalen 6, 2820 Gentofte, Denmark.

The consolidated financial statement of Ultranav ApS is available at the Company's address.

The ultimate holding company of Ultragas ApS is Naviera Ultranav Limitada, Av. El Bosque Norte 500 P. 19, 7550092 Las Condes, Santiago Chile.

| USD'000<br>**Related party** | **Type of transaction** | Sale to/from related<br>2015 | Amounts owed by/(to) related<br>2015 | Sale to/from related<br>2014 | Amounts owed by/(to) related<br>2014 |
|---|---|---|---|---|---|
| Othello Shipping Company S.A. and subsidiaries | Hire expense | -67,157 | 1,773 | -43,894 | 0 |
| | Other income | 105 | -9 | 86 | 2,690 |
| Ultranav International S.A. | Broker fee income | 0 | 0 | 227 | 0 |
| Ultranav International S.A. | Commercial balance | 0 | 6 | 0 | 36 |
| Ultrabulk Shipping A/S | Supervision fee | 0 | 0 | 0 | -5 |
| Ultranav ApS | Administration | 0 | -21 | 0 | 0 |
| Ultranav Business Support ApS | Administration | -709 | 68 | -958 | -155 |
| UltraShip ApS | Technical Management | -2,790 | -298 | -356 | 0 |
| UltraShip ApS | Interest | 19 | 0 | 49 | 0 |
| UltraShip ApS | Intergroup contribution | -1,600 | 0 | -4,150 | 0 |
| Naviera Tranzoceánica S.A | Freight income | 1,530 | 0 | 0 | 0 |
| Humboldt International S.A | Other | 0 | -6 | 0 | 0 |

## Notes to the financial statements

### 11 Contingent liabilities

The company is jointly taxed with other companies in the Ultranav Group. The companies are jointly and unlimited liability for Danish corporation tax and withholding taxes on dividends, interest and royalties in the joint taxation. Any subsequent corrections of taxable joint taxation of income or withholding taxes on dividends, etc. could lead to companies' liability constitutes a larger amount. The group as a whole shall not be liable towards others.

The Group's Danish companies are jointly and severally liable for the joint registration of VAT.

The company has confirmed to provide financial support the subsidary Ultraship ApS until 31 December 2016.

### 12 Disclosure of events after the balance sheet date

No significant events have occurred after the balance sheet date that materially affects the financial position of the company.