

# Othello Shipping Company ApS

Smakkedalen 6, 2820 Gentofte

## Annual Report 2016

The annual report is presented and approved at the Annual General Meeting on 31 May 2017.

Chairman:

*Sidsel Brønne*

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SIDSEL BRØNSE

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## 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 Othello Shipping Company ApS for the financial period 1 January 2016 – 31 December 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

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, 31 May 2017

Executive Board:



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Martin Fruergaard

Board of Directors:



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Dag von Appen Burose  
Chairman



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Enrique Reinuldo Ide  
Valenzuela



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Carsten Haagenzen

## **Independent auditors' report**

### **To the shareholders of Othello Shipping Company ApS**

#### **Opinion**

We have audited the financial statements of Othello Shipping Company ApS for the financial year 1 January – 31 December 2016, which comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 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 financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 Independent auditors' report on 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 skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

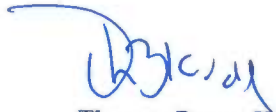
In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially 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 our procedures, 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, 31 May 2017  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR-no. 30700228



Thomas Bruun Kofoed  
State Authorised  
Public Accountant

## **Management's review**

### **Company details**

Othello Shipping Company ApS  
Smakkedalen 6, 2820 Gentofte, Denmark

Telephone: +45 6996 2110

CVR no.: 34 46 97 84  
Established: 1 January 2012  
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**

Martin Fruergaard, CEO

### **Auditors**

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
Osvold Helmuhs Vej 4  
P.O. Box 250  
DK-2000 Frederiksberg

### **Annual general meeting**

The annual general meeting is to be held on 31 May 2017.

## **Management's review**

### **Operating review**

#### **Principal activities**

The company's objects are to engage in counselling and consultancy activities mainly within transport, logistics and trade. Further to own and/or charter and to operate marine vessels and to perform all related activities and services and to perform commercial, technical and crewing services – directly and/or via third parties and to own shares in other companies, primarily related to shipping and marine related activities.

#### **Performance and result for the year**

The Company has slowly commenced its shipping related activity during the past years. The activity developed further during 2016.

The result for the year is above budget and management considers the result for the year for satisfactory.

#### **Outlook**

Management expects to expand the activity of the business in the future.

#### **Subsequent events**

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



## **Financial statements 1 January – 31 December**

### **Accounting policies**

The annual report of Othello Shipping Company ApS for 2016 has been prepared in accordance with the provisions applying to reporting class B small enterprises under the Danish Financial Statements Act.

The accounting policies are consistent with those for last year.

### **Currency translation**

Transactions in foreign currency are translated into USD at the exchange rate at the date of the transaction.

The exchange rate USD/DKK as at 31 December 2016 stated at 7.05 and 6.83 as at 31 December 2015. The average exchange rate USD/DKK for the year 2016 is 6.73 and 6.73 for the year 2015.

### **Recognition and measurement**

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company and the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the company and the value can be measured reliably.

On initial recognition assets and liabilities are recognized at cost. Subsequently, assets and liabilities are recognized as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, including a constant effective yield to maturity. Amortized cost is calculated as original cost less any repayments and plus / minus the cumulative amortization of the difference between cost and nominal amount.

Recognition and measurement take into account gains, losses and a risk arising before the annual report is finalized and that confirms or denies conditions that existed at the balance sheet date.

Income is recognized in the income statement as it accrues, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Moreover, costs incurred to generate the year's earnings, including depreciation, amortization and provisions and reversals due to changed accounting estimates of amounts previously recognized in the income statement.

### **Gross profit**

Freight income and voyage related costs are presented as Gross profit in accordance with the Danish Financial Statements Act paragraph 32.

### **Revenue**

The freight income reflects the income earned by the vessels operated.

## **Financial statements 1 January – 31 December**

### **Accounting policies**

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

Commission income is recognized as services are provided.

### **Voyage related cost**

Voyage related expenses includes charter hire and other costs incidental to the commercial operation of the vessels and are recognized under a percentage of completion.

### **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.

### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, and other financial expenses.

### **Balance sheet**

#### **Corporation tax and deferred tax**

Othello Shipping Company ApS is jointly taxed with the parent company Ultrana Denmark 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 Othello Shipping Company 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.

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 recognized in the income statement. Tax attributable to entries directly under comprehensive income is recognized directly in equity.

#### **Liabilities other than provisions**

Financial liabilities which comprises of trade payable and payables to associated companies are recognized at the date of borrowing at the net proceeds received less transaction costs paid.

## **Financial statements 1 January – 31 December**

### **Accounting policies**

In subsequent periods, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate.

Other liabilities are measured at net realizable value.

## Financial statements 1 January – 31 December

### Income Statement

USD	Note	2016	2015
Gross profit		88,198	0
Administrative expenses	1	-4,087	-2,675
<b>Ordinary operating profit/(loss)</b>		84,111	-2,675
Financial income		699	479
Financial expenses		-729	-304
<b>Profit/(loss) before tax</b>		84,081	-2,500
Tax on profit/(loss) for the year	2	-19,600	564
<b>Profit/(loss) for the year</b>		<u>64,481</u>	<u>-1,936</u>
 <b>Proposed profit appropriation</b>			
Retained earnings		<u>64,481</u>	<u>-1,936</u>
		<u>64,481</u>	<u>-1,936</u>

## Financial statements 1 January – 31 December

### Balance

USD	Note	2016	2015
<b>ASSETS</b>			
<b>Receivables</b>			
Receivables from related parties		0	2,694
Other receivables		1,003,419	2,080
		<u>1,003,419</u>	<u>4,774</u>
<b>Cash at bank and in hand</b>		<u>196,033</u>	<u>122,075</u>
<b>Total current assets</b>		<u>1,199,452</u>	<u>126,849</u>
<b>TOTAL ASSETS</b>		<u><u>1,199,452</u></u>	<u><u>126,849</u></u>

## Financial statements 1 January – 31 December

### Balance

USD	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	3		
Share capital		23,094	23,094
Retained earnings		166,041	101,560
<b>Total equity</b>		<u>189,135</u>	<u>124,654</u>
<b>Current liabilities</b>			
Debt to related party		1,007,159	0
Other debt		3,158	2,195
		<u>1,010,317</u>	<u>2,195</u>
<b>Total liabilities</b>		<u>1,010,317</u>	<u>2,195</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,199,452</u>	<u>126,849</u>
<b>Contractual obligations and contingencies, etc.</b>	4		
<b>Related party disclosures</b>	5		

## Financial statements 1 January – 31 December

### Notes

USD	2016	2015	
<b>1 Administrative costs</b>			
Audit fee	3,104	2,195	
Other consultancy assistance	983	480	
	<u>4,087</u>	<u>2,675</u>	
<b>2 Tax on the profit (loss) for the year</b>			
Current tax for the year	19,600	-564	
	<u>19,600</u>	<u>-564</u>	
<b>3 Equity</b>			
	Share capital	Retained earnings	Total
Equity 1 January 2016	23,094	101,560	124,654
Transferred, ref. profit appropriation	0	64,481	64,481
<b>Balance 31 December 2016</b>	<u>23,094</u>	<u>166,041</u>	<u>189,135</u>

Since the establishment of the company no changes has been made to the share capital.

#### 4 Contractual obligations and contingencies, etc.

##### Contingent liabilities

The company is jointly taxed with other companies in the Ultrana Denmark Group. The companies are jointly and unlimited liable 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.

## Financial statements 1 January – 31 December

### Noter

#### 5 Related parties

Othello Shipping Company ApS is a wholly owned subsidiary of UltranaV Denmark 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 Denmark Group, management of Othello Shipping Company 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 Denmark ApS, Smakkedalen 6, 2820 Gentofte, Denmark

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

#### Transactions with related parties

USD		Sale to/from re- lated	Amounts owed by/(to) related	Sale to/from re- lated	Amounts owed by/(to) related
		2016	2016	2015	2015
Related party	Type of transac- tion				
UltranaV Int. SA	Commission	88,198	(988,361)	0	0
Panamax Interna- tional Ship- ping	Other	0	(2,515)	0	0
UltranaV Den- mark ApS	Joint taxation	0	(16,283)	0	2,694