


Othello Shipping Company ApS

Smakkedalen 6, 2820 Gentofte

Annual Report 2015

The annual report is presented and approved at the Annual General Meeting on 31 March 2016.

Chairman:



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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 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 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.

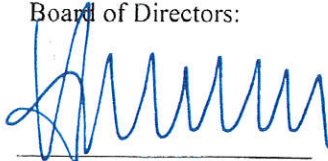
Gentofte, 25 February 2016

Executive Board:




Anders H. Rasmussen

Board of Directors:



Dag Von Appen Burose
Chairman



Enrique Reinaldo Ide
Valenzuela



Carsten Haagensen

Independent auditors' report

To the shareholders of Othello Shipping Company ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Othello Shipping Company ApS for the financial period 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, 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.

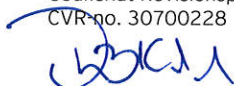
Opinion

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 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



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

Anders Hallund Rasmussen, CEO

Auditors

ERNST & YOUNG
Godkendt Revisionspartnerselskab
Osvold 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

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 did not develop further during 2015.

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 2015 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 2015 stated at 6.83 and 6.12 as at 31 December 2014. The average exchange rate USD/DKK for the year 2015 is 6.73 and 5.62 for the year 2014.

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

Financial statements 1 January – 31 December

Accounting policies

Gross profit

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

Freight income

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

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

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 basis.

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.

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 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 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

Financial statements 1 January – 31 December

Accounting policies

of the losses used (full absorption). The jointly taxed companies are taxed under the tax pre-payment 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. 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	2015	2014
Gross profit		0	11,356
Administrative expenses	1	-2,675	-4,278
Other expenses/income	2	0	842
Ordinary operating profit/(loss)		-2,675	7,920
Financial income		479	396
Financial expenses		-304	-127
Profit/(loss) before tax		-2,500	8,189
Tax on profit/(loss) for the year	3	564	-4,052
Profit/(loss) for the year		-1,936	4,137
 Proposed profit appropriation			
Retained earnings		-1,936	4,137
		-1,936	4,137

Financial statements 1 January – 31 December

Balance

USD	Note	2015	2014
ASSETS			
Receivables			
Receivables from related parties		2,694	1,947
Other receivables		2,080	3,124
		<u>4,774</u>	<u>5,071</u>
Cash at bank and in hand		<u>122,075</u>	<u>153,088</u>
Total current assets		<u>126,849</u>	<u>158,159</u>
TOTAL ASSETS		<u><u>126,849</u></u>	<u><u>158,159</u></u>

Financial statements 1 January – 31 December

Balance

USD	Note	2015	2014
EQUITY AND LIABILITIES			
Equity	4		
Share capital		23,094	23,094
Retained earnings		101,560	103,496
Total equity		124,654	126,590
Current liabilities			
Debt to related party		0	28,301
Other debt		2,195	3,268
		2,195	31,569
Total liabilities		2,195	31,569
TOTAL EQUITY AND LIABILITIES		126,849	158,159
Contractual obligations and contingencies, etc.	5		
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Financial statements 1 January – 31 December

Notes

USD		2015	2014	
1	Administrative costs			
	Audit fee	2,195	1,010	
	Other consultancy assistance	480	3,268	
		<u>2,675</u>	<u>4,278</u>	
2	Other expenses/income			
	Heat , electricity and water, regulation earlier periods	0	-842	
		<u>0</u>	<u>-842</u>	
3	Tax on the profit (loss) for the year			
	Current tax for the year	-564	4,052	
		<u>-564</u>	<u>4,052</u>	
4	Equity			
		Share capital	Retained earnings	Total
	Equity 1 January 2015	23,094	103,496	126,590
	Transferred, ref. profit appropriation	0	-1,936	-1,936
	Balance 31 December 2015	<u>23,094</u>	<u>101,560</u>	<u>124,654</u>

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

Financial statements 1 January – 31 December

Noter

5 Contractual obligations and contingencies, etc.

Contingent liabilities

The company is jointly taxed with other companies in the Ultrana 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.

6 Related parties

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

Parties exercising control

Parties exercising control is associated companies of Ultrana Group, management in 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:

Ultrana ApS, Smakkedalen 6, 2820 Gentofte, Denmark

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

Transactions with related parties

USD	Related party	Type of transaction	Sale	Amounts owed	Sale	Amounts owed
			to/from related	by/(to) related	to/from related	by/(to) related
			2015	2015	2014	2014
	Ultragas ApS	Administration	0	0	0	1,947
	Panamax International Shipping	Charter hire	0	-0	-1,124,269	-28,301
	Ultrana ApS	Joint taxation	0	2,694	0	0