
Union Bulk A/S

Sankt Peders Vej 6, 1., DK-2900 Hellerup

Annual Report for 27 February 2019 - 30 June 2020

CVR No 40 30 09 37

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
25/11 2020

Jens Riis Boesen
Chairman of the General
Meeting



pwc

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Union Bulk A/S for the financial year 27 February 2019 - 30 June 2020.

The Annual Report is 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 at 30 June 2020 of the Company and of the results of the Company operations for 2019/20.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Hellerup, 25 November 2020

Executive Board

Jens Riis Boesen
CEO

Board of Directors

Rikke Stampe Skov

Jens Riis Boesen

Anders Nis Svarrer

Independent Auditor's Report

To the Shareholders of Union Bulk A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2020 and of the results of the Company's operations for the financial year 27 February 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Union Bulk A/S for the financial year 27 February 2019 - 30 June 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

Independent Auditor's Report

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor's Report

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.

Hellerup, 25 November 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mark Philip Beer

statsautoriseret revisor

mne29472

Company Information

The Company

Union Bulk A/S
Sankt Peders Vej 6, 1.
DK-2900 Hellerup
Website: unionbulk.dk

CVR No: 40 30 09 37
Financial period: 27 February - 30 June
Incorporated: 27 February 2019
Financial year: 1st financial year
Municipality of reg. office: Gentofte

Board of Directors

Rikke Stampe Skov
Jens Riis Boesen
Anders Nis Svarrer

Executive Board

Jens Riis Boesen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The principal activities are shipping activities

Development in the year

The income statement of the Company for 2019/20 shows a profit of USD 2,001,109, and at 30 June 2020 the balance sheet of the Company shows equity of USD 3,501,109.

Union Bulk A/S was started 1st March 2019. We are proud to submit our annual accounts, which thus cover a period of 15 months. We started with a solid equity and two men, and 15 months, 76 sea voyages and 2642 ship days later, we can round up the first financial year being a company with 7 shipping professionals and an external accountant.

It has been an incredible development and at the time we started, we had not dared to hope that we would have come this far today. We have had the help of both skill, timing and a little bit of luck, and now have a fantastic starting point for the company's further development.

The result speaks for itself. Things have gone better than budgeted from the start and we are very satisfied with the result.

Targets and expectations for the year ahead

The dry cargo market was not nearly as hard hit by Covid-19 as one might have feared, and with a vaccine on the way in early 2021, we believe the dry cargo market will continue fluctuating around present levels. We forecast that the new financial year 2020/2021 will also be profitable.

Subsequent events

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

Income Statement

27 February 2019 - 30 June 2020

	<u>Note</u>	<u>2019/20</u> USD
Revenue		36.411.996
Vessel operating costs		-33.279.865
Other external expenses		<u>-312.605</u>
Gross profit/loss		2.819.526
Staff expenses	1	<u>-681.264</u>
Profit/loss before financial income and expenses		2.138.262
Financial income	2	20.739
Financial expenses	3	<u>-9.214</u>
Profit/loss before tax		2.149.787
Tax on profit/loss for the year	4	<u>-148.678</u>
Net profit/loss for the year		<u>2.001.109</u>

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	667.200
Retained earnings	<u>1.333.909</u>
	<u>2.001.109</u>

Balance Sheet 30 June 2020

Assets

	<u>Note</u>	<u>30 June 2020</u> USD
Inventories		<u>900.805</u>
Trade receivables		499.234
Receivables from group enterprises		276
Other receivables		897.917
Prepayments	5	<u>903.520</u>
Receivables		<u>2.300.947</u>
Cash at bank and in hand		<u>3.079.664</u>
Currents assets		<u>6.281.416</u>
Assets		<u>6.281.416</u>

Balance Sheet 30 June 2020

Liabilities and equity

	<u>Note</u>	<u>30 June 2020</u> USD
Share capital		91.803
Retained earnings		2.742.106
Proposed dividend for the year		<u>667.200</u>
Equity	6	<u>3.501.109</u>
Trade payables		800.008
Corporation tax		148.678
Other payables		206.449
Deferred income	7	<u>1.625.172</u>
Short-term debt		<u>2.780.307</u>
Debt		<u>2.780.307</u>
Liabilities and equity		<u>6.281.416</u>
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Statement of Changes in Equity

	Share capital USD	Retained earnings USD	Proposed dividend for the year USD	Total USD
Equity at 27 February 2019	91.803	0	0	91.803
Capital contribution	0	1.408.197	0	1.408.197
Net profit/loss for the year	0	1.333.909	667.200	2.001.109
Equity at 30 June 2020	91.803	2.742.106	667.200	3.501.109

Notes to the Financial Statements

	2019/20
	USD
1 Staff expenses	
Wages and salaries	676.131
Other social security expenses	955
Other staff expenses	4.178
	681.264
Average number of employees	4
2 Financial income	
Other financial income	20.739
	20.739
3 Financial expenses	
Other financial expenses	2.222
Exchange loss	6.992
	9.214
4 Tax on profit/loss for the year	
Current tax for the year	148.678
	148.678
5 Prepayments	
Prepayments comprises payments received in respect of income in subsequent years as well as open voyages.	
6 Equity	
The share capital consists of 600,000 shares of a nominal value of DKK 1. No shares carry any special rights.	

Notes to the Financial Statements

7 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

30 June 2020
USD

8 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The company has entered into agreements of chartering vessels on Time Charter basis to maturity after 30 June 2020. The aggregate net lease obligation amounts to USD

6.040.000

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group.

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Union Bulk A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2019/20 are presented in USD with exchange rate as 30 June 2020 - USD 665,53.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

9 Accounting Policies (continued)

Income Statement

Revenue

Revenue includes freight and charter income etc., are recognized in the Income Statement, when the voyage is completed. This is considered to be the case when the voyage is completed before the end of the financial year. Ongoing voyage is recognised as the voyage are executed, then the revenue are equal to the activity in the financial year.

Revenue is recognised exclusive of VAT.

Vessel operating costs

Vessel operating costs comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises and office expenses etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

The Company is comprised by the tonnage tax regime. No provision is made for deferred tax since no deferred tax is expected to arise under the tonnage tax regime.

The Company is jointly taxed with the ultimate parent company. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Bunker

Bunkers are measured at the lower of cost under the FIFO method and net realisable value.

Notes to the Financial Statements

9 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprises payments received in respect of income in subsequent years as well as open voyages.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.