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# ***Union Bulk A/S***

Strandvejen 169 - 171, 1., DK-2900 Hellerup

## **Annual Report for 1 July 2020 - 30 June 2021**

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CVR No 40 30 09 37

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
15/11 2021

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 1 July 2020 - 30 June 2021.

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 2021 of the Company and of the results of the Company operations for 2020/21.

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, 15 November 2021

## Executive Board

Jens Riis Boesen

## Board of Directors

Rikke Birgitte 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 2021 and of the results of the Company's operations for the financial year 1 July 2020 - 30 June 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Union Bulk A/S for the financial year 1 July 2020 - 30 June 2021, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, 15 November 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Flemming Eghoff

State Authorized Public Accountant

mne30221

## Company Information

### **The Company**

Union Bulk A/S  
Strandvejen 169 - 171, 1.  
DK-2900 Hellerup  
Website: unionbulk.dk

CVR No: 40 30 09 37  
Financial period: 1 July - 30 June  
Incorporated: 27 February 2019  
Financial year: 2nd financial year  
Municipality of reg. office: Gentofte

### **Board of Directors**

Rikke Birgitte 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 2020/21 shows a profit of USD 12,511,094, and at 30 June 2021 the balance sheet of the Company shows equity of USD 15,345,003.

This is our second annual accounts, and we can report a result that exceeds expectations. The management is very satisfied with the result, which gives us a sound outset for our continued execution of our strategy to expand our activities in the handysize and supramax drycargo markets.

The main part of the result has been accumulated in the second half of the financial year where a significant upturn in the dry cargo freight rates began in February 2021. The high freight market has continued well into the new financial year.

Union Bulk A/S have been well positioned to profit from this upturn which is shown by the underlying activity in our company: both measured in individual voyages and in ship days our activity has nearly doubled compared to our first financial year (that lasted 15 months) proving our commitment to expand in the market. Apart from expanding our activity we have focused on developing our relations with our clients and are well positioned to continue our growth.

## Targets and expectations for the year ahead

With the increase in freight rates, risk has also increased, and the risk of losses - should the market drop - has increased significantly compared to the same time last year. Our strategy is to not increase activity at any cost, and we will continue to weigh the market risk into our decisions going forward. Our ambition is still to expand our activity. The management has firm belief that our financial results also next year 2021/2022 will be satisfactory.

## Subsequent events

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



# Income Statement

## 1 July 2020 - 30 June 2021

	Note	2020/21 USD	2019/20 USD
<b>Revenue</b>		<b>92.007.510</b>	<b>36.411.996</b>
Vessel operating costs		-77.194.705	-33.279.865
Other external expenses		-377.382	-312.605
<b>Gross profit/loss</b>		<b>14.435.423</b>	<b>2.819.526</b>
Staff expenses	1	-1.289.037	-681.264
<b>Profit/loss before financial income and expenses</b>		<b>13.146.386</b>	<b>2.138.262</b>
Financial income		212.522	32.133
Financial expenses		-83.868	-20.608
<b>Profit/loss before tax</b>		<b>13.275.040</b>	<b>2.149.787</b>
Tax on profit/loss for the year	2	-763.946	-148.678
<b>Net profit/loss for the year</b>		<b>12.511.094</b>	<b>2.001.109</b>

## Distribution of profit

### Proposed distribution of profit

Proposed dividend for the year		8.000.000	667.200
Retained earnings		4.511.094	1.333.909
		<b>12.511.094</b>	<b>2.001.109</b>

# Balance Sheet 30 June 2021

## Assets

	<u>Note</u>	<u>30 juni 2021</u> USD	<u>30 juni 2020</u> USD
Deposits		19.549	0
<b>Fixed asset investments</b>		<b>19.549</b>	<b>0</b>
<b>Fixed assets</b>		<b>19.549</b>	<b>0</b>
<b>Inventories</b>		<b>2.507.218</b>	<b>900.805</b>
Trade receivables		2.237.428	499.234
Receivables from group enterprises		0	276
Other receivables		2.824.012	897.917
Prepayments	3	1.713.176	1.224.357
<b>Receivables</b>		<b>6.774.616</b>	<b>2.621.784</b>
<b>Cash at bank and in hand</b>		<b>14.390.844</b>	<b>3.079.664</b>
<b>Currents assets</b>		<b>23.672.678</b>	<b>6.602.253</b>
<b>Assets</b>		<b>23.692.227</b>	<b>6.602.253</b>

# Balance Sheet 30 June 2021

## Liabilities and equity

	Note	30 juni 2021 USD	30 juni 2020 USD
Share capital	4	91.803	91.803
Retained earnings		7.253.200	2.742.106
Proposed dividend for the year		8.000.000	667.200
<b>Equity</b>		<b>15.345.003</b>	<b>3.501.109</b>
Trade payables		1.041.936	800.008
Corporation tax		755.625	148.678
Other payables		1.129.077	527.286
Deferred income	5	5.420.586	1.625.172
<b>Short-term debt</b>		<b>8.347.224</b>	<b>3.101.144</b>
<b>Debt</b>		<b>8.347.224</b>	<b>3.101.144</b>
<b>Liabilities and equity</b>		<b>23.692.227</b>	<b>6.602.253</b>
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## Statement of Changes in Equity

	Share capital	Retained	Proposed	Total
	USD	earnings	dividend for the	USD
	USD	USD	year	USD
	USD	USD	USD	USD
Equity at 1 July 2020	91.803	2.742.106	667.200	3.501.109
Ordinary dividend paid	0	0	-667.200	-667.200
Net profit/loss for the year	0	4.511.094	8.000.000	12.511.094
<b>Equity at 30 June 2021</b>	<b>91.803</b>	<b>7.253.200</b>	<b>8.000.000</b>	<b>15.345.003</b>

## Notes to the Financial Statements

	<u>2020/21</u>	<u>2019/20</u>
	USD	USD
<b>1 Staff expenses</b>		
Wages and salaries	1.238.924	676.131
Other social security expenses	2.141	955
Other staff expenses	47.972	4.178
	<u>1.289.037</u>	<u>681.264</u>
<b>Average number of employees</b>	<u>6</u>	<u>4</u>
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	763.946	148.678
	<u>763.946</u>	<u>148.678</u>

### 3 Prepayments

Prepayments comprises prepaid expenses concerning charter, insurance premiums, etc.

### 4 Equity

The share capital consists of 600,000 shares of a nominal value of DKK 1. No shares carry any special rights.

### 5 Deferred income

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

# Notes to the Financial Statements

	<u>30 juni 2021</u>	<u>30 juni 2020</u>
	USD	USD
<b>6 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
The company's contractual obligations relating to chartering of vessels amounts total (short term kUSD 42.778 more than 1 year kUSD 5.122)	47.900.000	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.

## 7 Related parties

### Consolidated Financial Statements

The Company is included in the Group Annual Report of Bradley Cairns ApS

Name	Place of registered office
Bradley Cairns ApS	Gentofte

# Notes to the Financial Statements

## 8 Accounting Policies

The Annual Report of Union Bulk A/S for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements are presented in USD with exchange rate as 30 June 2021 usd 625,73 (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

## 8 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

#### Fixed asset investments

Fixed asset investments consist of deposits (rents).



# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### **Bunker**

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

### **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 comprise prepaid expenses concerning charter, insurance premiums, etc..

### **Equity**

#### ***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### **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.