Union Bulk A/S

Strandvejen 171,1, DK-2900 Hellerup

Annual Report for 1 July 2023 - 30 June 2024

CVR No. 40 30 09 37

The Annual Report was presented and adopted at the Annual General Meeting of the company on 9/12 2024

Jens Riis Boesen
Chairman of the general meeting

Contents

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 2023 - 30 June 2024.

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 2024 of the Company and of the results of the Company operations and cash flows for 2023/24.

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, 9 December 2024

Executive Board

Michael Bonderup
CEO

Board of Directors

Gert Fisker Tomczyk Chairman	Jens Riis Boesen	Thomas Storm Nielsen

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 2024 and of the results of the Company´s operations and cash flows for the financial year 1 July 2023 - 30 June 2024 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 2023 - 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 Financial 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 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.

Independent Auditor's report

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 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, 9 December 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Flemming Eghoff	Martin Birch
State Authorised Public Accountant	State Authorised Public Accountant
mne30221	mne42825

Company information

The Company	Union Bulk A/S Strandvejen 171,1 DK-2900 Hellerup
	CVR No: 40 30 09 37
	Financial period: 1 July 2023 - 30 June 2024
	Incorporated: 27 February 2019
	Financial year: 5th financial year
	Municipality of reg. office: Gentofte
Board of Directors	Gert Fisker Tomczyk, chairman Jens Riis Boesen Thomas Storm Nielsen
Executive Board	Michael Bonderup
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023/24	2022/23	2021/22	2020/21	2019/20
	TUSD	TUSD	TUSD	TUSD	TUSD 16 months
Key figures					
Profit/loss					
Revenue	90,649	118,724	153,373	94,885	36,412
Gross profit	2,527	4,422	31,208	14,435	2,820
Profit/loss of primary operations	615	2,633	28,844	13,146	2,138
Profit/loss of financial income and expenses	646	772	-605	129	12
Net profit/loss for the year	1,059	3,033	26,933	12,511	2,001
Balance sheet					
Balance sheet total	22,033	22,964	27,068	23,692	6,281
Equity	16,869	15,811	19,778	15,345	3,501
Cash flows					
Cash flows from:					
- operating activities	3,624	2,235	23,272	0	0
- investing activities	-6,327	-21	-2,001	0	0
- financing activities	372	-7,000	-22,500	0	0
Change in cash and cash equivalents for the year	-2,331	-4,786	-1,229	0	0
Number of employees	9	9	8	6	4
Ratios					
Gross margin	2.8%	3.7%	20.3%	15.2%	7.7%
Profit margin	0.7%	2.2%	18.8%	13.9%	5.9%
Return on assets	2.8%	11.5%	106.6%	55.5%	34.0%
Solvency ratio	76.6%	68.9%	73.1%	64.8%	55.7%
Return on equity	6.5%	17.0%	153.4%	132.8%	114.3%

No Cash flow statement was prepared in the financial year 2020/21 and 2019/20.

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's review

Key activities

The principal activities are shipping activities, primarily as dry cargo operator, and also as owner of MV Hinase though the 100% owned subsidiary Hinase ApS

Development in the year

The income statement of the Company for 2023/24 shows a profit of USD.t 1,059, and at 30 June 2024 the balance sheet of the Company shows a positive equity of USD.t 16,869.

After landing the company's exposure after the very high freight market in 2021/2022, we started this financial year with losses in the first quarter, which we were able to turn around towards the end of 2023, and we enjoyed some very good months in January and February 2024.

The last part of the financial year was marked by significant disruption in the personnel in the company's chartering department, and management has focused their efforts on regrouping the team and building a new foundation for the company's business influx.

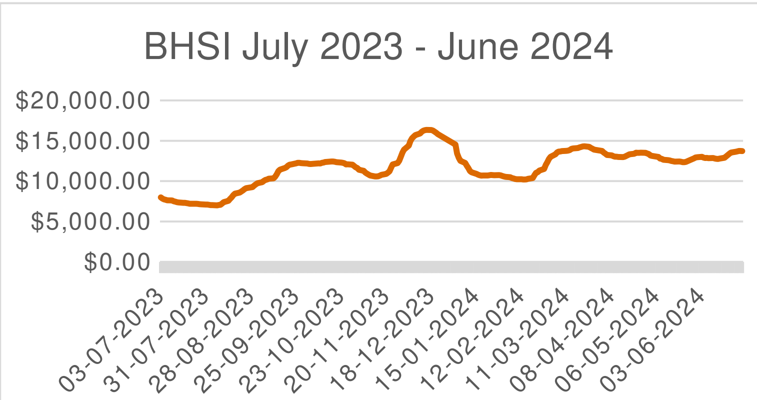
In the time of writing (December 2024), the plan has been forged and is ready to be rolled out. A new CEO has already joined in Copenhagen and a new head of the Singapore office is working to grow our presence in the Pacific market, just as new hires will join us in the new year.

This does not change the fact that the last part of the year was loss giving, and the result, even if it is a positive one, is less than anticipated.

On the encouraging side, the positive result further consolidates Union Bulk's financial strength and ability to roll out our ambitions for the company, which remains strong.

The company has offices and employees in both Denmark and Singapore.

The past year and follow-up on development expectations from last year



As predicted in last year's report, the year has been a transitional year – in more ways than we had foreseen. The Baltic Handysize Index has remained fairly stable, with fluctuations, and has moved in a band between 8.000 at the beginning of the financial year and 16.000 as the highest. Period rates have been out of sync with the spot market, and entering into new period contracts has proven difficult.

Management's review

Use of financial instruments

The company uses derivative financial elements to hedge freight price risks and bunker price risk.

Forward Freight Agreement (FFA) is used to hedge cash flow risk from freight prices. Bunker hedge is used to hedge future bunker expenses and redelivery commitments related to timechartered vessels.

Operating risks and financial risks

The foreign exchange risks are limited as most income and expenses from shipping are in US dollars.

Market risks

Revenues from the shipping operations are linked to global market trends, which through demand fluctuations affect freight rates as well as prices of e.g. tonnage and fuel. Management continuously assesses the extent to which it is relevant to take measures against these market fluctuations.

Foreign exchange risks

Most of the income from shipping activities is in USD, with a small amount of income in EUR. With most operational expenses being in USD and administrative expenses being in USD and DKK, the company have only limited foreign exchange risk.

Targets and expectations for the year ahead

As stated above under follow-up from last year, the new financial year 2024/2025 has started at fairly stable freight market, however imbalanced between Atlantic and Pacific. We see the next financial year as another transitional year, where we will rebuild the company’s organization and start the foundation for a coming surge in market, albeit no one knows when this will materialize. We expect a positive net operating income, but doubt it will suffice to cover overhead costs.

Research and development

The Company is not involved in research and development activities.

Management's review

External environment

The EEXI- and the CII-regulations regulations entered into force in January 2023, reducing the carbon footprint of all vessels in the world fleet. Union Bulk welcomes this development and supports the industry´s transition to more environmentally friendly maritime transportation.

We are also fully accustomed to operating within the EU ETS (emission trading system) that entered into force in January 2024.

As from January 2025, the first stages of FuelEU are rolled out, and we are ready to handle this as well.

Union Bulk works daily with external advisors to reduce our marine fuel consumption and emissions.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

According to the Annual Accounts Act, the group is obliged to report on Corporate Social Responsibility (CSR). The company's values and approach to doing business are based on responsibility and the company complies

with all legal requirements in the areas of climate change, environment, human rights, employee relations and anti-corruption.

The group participates fundamentally through its primary activity - maritime transport of grain, fertilizer and raw materials - in the larger global task of transporting food to parts of the world that cannot produce themselves. To transport fertilizers so that new foods can be produced and to transport raw materials, so important goods can be produced where it is cheapest and most efficient. All of which contribute to an improvement of people's lives and living standards, and overall contribute to improvement and growth in the global economy.

The Group recognizes the importance of addressing challenges in climate change, environment, human rights, employee relations and anti-corruption. This is, among other things, done through an adaptable management approach and it is possible for everyone in the organization to address top management directly with questions and, if necessary, approval of decisions. It is noted that maritime transport still is the most environmentally friendly form of transport available, measured in co2 per ton/mile, while it is recognized that improvements still need to be made.

During the financial year 2023/2024 difficult decisions have had to be taken, involving among other things Code of Conduct, and the situation has demonstrated the need for more formalized policies. We will commence to work out such formalized policies, and they will be updated in the future to reflect contemporary conditions.

Policy on the environment and climate

The Group fully supports the goal of minimizing environmental damage and will comply with all relevant legislation and regulation. The ambition is to continually improve energy efficiency and fuel consumption for all ships. The energy efficiency and fuel consumption at different speeds are always queried when ships are chartered in from the shipowners, so that the individual voyages can be continuously optimized.

Like previous financial years, we have in the financial year 2023/24, also included contractual terms on compliance with bunker regulations regarding low sulfur content in all new contracts, and the group will continue to do so in the future.

As an operating company that charters ships from shipowners to operate them commercially, we do not have direct influence on which measures are implemented on the individual ship to improve its environmental impact.

Bunker consumption is the area where the group can influence environmental conditions the most. As green technological developments are implemented on the chartered vessels, Union Bulk’s activities will also become more environmentally friendly.

We support the efforts for the green transition within shipping, and we follow regulation and development closely. The management does primarily see the large number of new and upcoming regulations in the environmental area - e.g., the new CII, EEXI, EU ETS and FuelEU regulations - as a positive development. But the vast amount of regulation – in all areas - also carries with it the risk that bureaucracy and administration of these schemes will keep coming, and will make the competitive edge for small companies like us very difficult. The time and cost consumed by this is ever increasing and can end up making it more difficult or even impossible to do business with a Company based in Denmark or the EU.

Policy on human rights

The group respects and recognizes human rights, the rights of the child and all international labor (ILO) charters. The group is not responsible for the employment of sailors on the ships. It is the ship owners who ensure and are responsible for working and employment conditions and that the conditions are in accordance with international agreements. However, to counter any risk that international standards of employment and

safety are not met, we have contractual clauses with our ship owning counterparts, to have them guarantee high standards. If the group's management becomes aware of any violation of this on the ships, they react quickly to have any illegal conditions rectified.

The Group supports and respects the protection of human rights defined by the UN "Universal Declaration on Human Rights". Employees must not violate human rights principles, either directly or indirectly. The group has always included in our contracts that all sailors on board chartered ships must be organized in the ITF (International Transport Workers Federation) or similarly recognized trade unions that ensure proper working conditions on board the ships. Also in the financial year 2023/24, the group has included contract terms regarding responsibility for work and employment relationship in all new contracts, and the company will continue to do so in the future.

Management's review

Anti-corruption policy

No employee in the group must participate in corruption and/or bribery, either directly or through use of intermediaries. Contracts with customers and suppliers follow approved standards. All costs paid by the company undergo quality assurance and are internally approved. In addition, all costs associated with travel are approved directly by management using a "four eyes" principle, so the risks of corruption and bribery are considered very low.

The group operates without using bribes or other forms of corruption, and our employees must neither accept nor offer any form of bribe either directly or indirectly. Like previous financial years, the group’s management and employees have not in the financial year 2023/24 obtained profit through bribery or participation in corruption, the group has followed the anti-corruption procedures described above, and the group will continue to do so in the future.

Bribery is offering, giving, or receiving something of value (money or gifts) for the purpose of the giver gains undue influence on the recipient's decisions or behaviour.

Exchanging gifts is usually considered a way to build goodwill and show appreciation among those companies we do business with, but if the exchange of gifts becomes frequent or extravagant, it indicates, however, on inappropriate behavior. The individual employee must ensure that he/she does not act for his/her own benefit and contrary to the company's interests and must follow the applicable laws and provisions as well as using common sense and logic. If an employee suspects that there is bribery or attempted bribery going on, he/she must contact management. All inquiries will be treated confidentially.

The group is obliged to comply with all legislative requirements and the group works against all forms of corruption. Like previous financial years, the group's management and employees have not in the financial year obtained profit through bribery or participated in corruption. The group's management and employees are not expected to gain advantage and/or profit in the future by bribing business partners or by participation in corruption.

A Review of Our Annual Employee Discussions - Effort and Results:

For the staff in the group, meetings were held with all employees in the financial year 2023/2024, where the individual's performance is assessed and evaluated, and where targets for 2024/25 were decided upon agreement with the employee. In 2024/25, the group will continue to hold meetings to assess and evaluate individual performance.

Our annual employee discussions are an important time for reflection and future planning. These discussions provide us with a unique opportunity to take a closer look at individual efforts and the results achieved in our organization. Here are some highlights and insights from these discussions:

Personal Growth and Development: All employees are given an opportunity for growth both in their professional skills and personal competence. This is a result of their dedication and our continuous focus on learning and development.

Goal Setting and Achievement: Our discussions focus on the goals each employee sets for the year. We are impressed with how many have reached, and in some cases, exceeded these goals. This not only shows their commitment but also their ability to adapt and overcome challenges.

Teamwork and Collaboration: Another important topic we address is the importance of teamwork and collaboration. We observed several examples of successful team projects, where collective effort and collaboration led to great results.

Feedback and Areas for Improvement: The discussions also provide valuable feedback to both the management and the employees. We recognize areas that need improvement and see this as an opportunity to grow and develop further as a united entity.

Future Plans and Ambitions: Towards the end of each discussion, we talk about future goals and ambitions. This has helped us create a clearer path forward for each team member, and for the organization as a whole.

Overall, the employee discussions provide us with valuable insights and strengthened our understanding of how each individual contributes to our collective success. We look forward to building on this effort and continuing our growth together.

Policy regarding employees

It is our policy to enable the group to attract, retain and develop the best possible employees. That is employees who are highly qualified and motivated to navigate the company in a complex and uncertain geopolitical environment and ongoing technological and regulatory development at the same time as they balance the company's financial interests with the need for climate and social responsibility.

The group's ability to attract and retain the right employees is strengthened through delegation of responsibility and through meeting today's increased demands for flexibility in terms of working hours and opportunities to influence the company's values and operations. In the financial year 2023/24, the group has offered its employees' health insurance via pension agreement and will in the financial year 2024/25 continue to offer its employees to work from home within certain restrictions, that also balance the company's interests to enhance the synergy and team spirit obtained through working together in an office environment.

As a small/intermediate size company, Union Bulk is exposed to the risk of key employees leaving, combined with the difficulties and lead time connected with recruiting new specialized staff. We therefore make a great deal of effort to ensure an attractive work environment.

We have taken action in several ways on an individual level to accommodate employee's needs in specific situations. Without being too detailed this could e.g. be in situations regarding stress, the need to tailor work-life balance with working spouses, and/or in life crisis situations. The need to take care of our employees and to be empathetic to their situations needs to be paired with a constant need to nurture a high performing work culture and uphold high work ethics. Management strives to address lack of performance with individuals at an early stage to give our colleagues a fair chance to rectify their effort, leading to higher job satisfaction for both employer and employees.

Statement on gender composition, cf. section 99b of the Financial Statements Act

The company's board consists of 3 members. The Chairman was up until November 2023 a Woman, and she was replaced by a man, after her own request to free more time for her job as CEO.

Management's review

	2023/24
Top management	
Total number of members	3
Underrepresented gender %	0%
Target figure %	33%
Year for meeting target	2028
Other management levels	
Total number of members	1

What have we done this year to achieve the target for gender composition?

We have had a female chairman for the past 3 years. During 2023/24 she has asked to be relieved from her duties as chairman in order to focus more time on her job as CEO. We feel lucky to have found our present chairman to fill the position. His experience and professionalism will contribute to the work on the board. We do not hire or elect persons based on their gender. We only look at the person’s qualifications. Therefore our target for gender distribution is tentative and will require that the right person has the right qualifications and the right gender at the right time.

Other management levels of the company:

Please note that we are a company that as of 30th June 2024 employs 9 people.

The group employs less than 50 employees, and there is therefore no requirement to develop a policy for the underrepresented gender on other management levels. The group also does not consist of any subsidiaries that are subordinated to Section 99, letter b of the Annual Accounts Act.

Statement on data ethics, cf. section 99d of the Financial Statements Act

The group complies with the Danish GDPR- and other legislation regarding employees and personal data. Considering our business model and activities, all data is considered business critical and will as such never be shared with or in any way made available to third parties. Consequently, Group management has not seen any immediate need to approve a policy on data ethics but will follow the subject closely with a view to potentially establishing such a policy later.

Uncertainty relating to recognition and measurement.

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Management's review

Subsequent events

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

Income statement 1 July 2023 - 30 June 2024

	Note	2023/24	2022/23
		USD	USD
Revenue	1	90,648,606	118,724,316
Direct expenses		-86,840,995	-113,670,827
Other external expenses		-1,280,724	-631,417
Gross profit		**2,526,887**	**4,422,072**
Staff expenses	2	-1,911,984	-1,789,526
Depreciation and impairment losses of property, plant and equipment		-48	0
Profit/loss before financial income and expenses		**614,855**	**2,632,546**
Income from investments in subsidiaries	3	511,484	0
Financial income	4	366,378	776,386
Financial expenses		-231,542	-3,924
Profit/loss before tax		**1,261,175**	**3,405,008**
Tax on profit/loss for the year	5	-202,569	-372,380
Net profit/loss for the year	6	**1,058,606**	**3,032,628**

Balance sheet 30 June 2024

Assets

	Note	2023/24	2022/23
		USD	USD
Other fixtures and fittings, tools and equipment		297	0
Property, plant and equipment	7	**297**	**0**
Investments in subsidiaries	8	517,227	0
Receivables from group enterprises	9	8,429,017	0
Deposits	9	41,928	41,099
Fixed asset investments		**8,988,172**	**41,099**
Fixed assets		**8,988,469**	**41,099**
Bunker		2,389,507	4,664,664
Inventories		**2,389,507**	**4,664,664**
Trade receivables		644,076	3,030,441
Other receivables		2,354,843	2,636,087
Prepayments	10	1,611,100	2,106,142
Receivables		**4,610,019**	**7,772,670**
Current asset investments		**0**	**2,108,923**
Cash at bank and in hand		**6,044,619**	**8,376,201**
Current assets		**13,044,145**	**22,922,458**
Assets		**22,032,614**	**22,963,557**

Balance sheet 30 June 2024

Liabilities and equity

	Note	2023/24	2022/23
		USD	USD
Share capital	11	91,803	91,803
Reserve for net revaluation under the equity method		511,484	0
Reserve for exchange rate conversion		-2,337	0
Retained earnings		16,268,165	15,718,728
Equity		**16,869,115**	**15,810,531**
Trade payables		831,855	1,594,055
Payables to group enterprises		371,504	0
Payables to group enterprises relating to corporation tax		202,569	371,927
Other payables	12	973,004	1,287,982
Deferred income	13	2,784,567	3,899,062
Short-term debt		**5,163,499**	**7,153,026**
Debt		**5,163,499**	**7,153,026**
Liabilities and equity		**22,032,614**	**22,963,557**

Contingent assets, liabilities and other financial obligations	16
Related parties	17
Fee to auditors appointed at the general meeting	18
Subsequent events	19
Accounting Policies	20

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for exchange rate conversion	Retained earnings	Total
	USD	USD	USD	USD	USD
Equity at 1 July	91,803	0	0	15,718,728	15,810,531
Exchange adjustments	0	0	-2,337	2,315	-22
Net profit/loss for the year	0	511,484	0	547,122	1,058,606
Equity at 30 June	**91,803**	**511,484**	**-2,337**	**16,268,165**	**16,869,115**

Cash flow statement 1 July 2023 - 30 June 2024

	Note	2023/24	2022/23
		USD	USD
Result of the year		1,058,606	3,032,628
Adjustments	14	-443,725	-400,535
Change in working capital	15	2,744,749	434,767
Cash flow from operations before financial items		**3,359,630**	**3,066,860**
Financial income		867,764	395,030
Financial expenses		-231,542	-3,924
Cash flows from ordinary activities		**3,995,852**	**3,457,966**
Corporation tax paid		-371,927	-1,223,028
Cash flows from operating activities		**3,623,925**	**2,234,938**
Purchase of property, plant and equipment		-345	0
Fixed asset investments made etc		-8,435,589	-20,936
Sale of current asset investments		2,108,923	0
Cash flows from investing activities		**-6,327,011**	**-20,936**
Raising of payables to group enterprises		371,504	0
Dividend paid		0	-7,000,000
Cash flows from financing activities		**371,504**	**-7,000,000**
Change in cash and cash equivalents		**-2,331,582**	**-4,785,998**
Cash and cash equivalents at 1 July		8,376,201	13,162,199
Cash and cash equivalents at 30 June		**6,044,619**	**8,376,201**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		6,044,619	8,376,201
Cash and cash equivalents at 30 June		**6,044,619**	**8,376,201**

Notes to the Financial Statements

	2023/24	2022/23
	USD	USD

1. Revenue

Geographical / Business segments		
Globally / Dry Bulk	90,648,606	118,724,316
	90,648,606	**118,724,316**
Business segments		
Shipping	90,648,606	118,724,316
	90,648,606	**118,724,316**

	2023/24	2022/23
	USD	USD

2. Staff Expenses

Wages and salaries	1,854,482	1,727,822
Other social security expenses	3,073	2,868
Other staff expenses	54,429	58,836
	1,911,984	**1,789,526**
Including remuneration to the Executive Board and Board of Directors	**242,609**	**136,196**
Average number of employees	**9**	**9**

	2023/24	2022/23
	USD	USD

3. Income from investments in subsidiaries

Share of profits	511,484	0
	511,484	**0**

Notes to the Financial Statements

	2023/24	2022/23
	USD	USD
4. Financial income		
Interest received from group enterprises	111,691	0
Other financial income	239,270	697,844
Exchange gains	15,417	78,542
	366,378	**776,386**

	2023/24	2022/23
	USD	USD
5. Income tax expense		
Current tax for the year	202,569	371,927
Adjustment of tax concerning previous years	0	453
	202,569	**372,380**

	2023/24	2022/23
	USD	USD
6. Profit allocation		
Reserve for net revaluation under the equity method	511,484	0
Retained earnings	547,122	3,032,628
	1,058,606	**3,032,628**

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	USD
Cost at 1 July	0
Additions for the year	362
Cost at 30 June	362
Impairment losses and depreciation at 1 July	0
Depreciation for the year	65
Impairment losses and depreciation at 30 June	65
Carrying amount at 30 June	**297**

Notes to the Financial Statements

	2023/24	2022/23
	USD	USD

8. Investments in subsidiaries

	2023/24 USD	2022/23 USD
Cost at 1 July	0	0
Additions for the year	5,743	0
Cost at 30 June	5,743	0
Net profit/loss for the year	511,484	0
Value adjustments at 30 June	511,484	0
Carrying amount at 30 June	**517,227**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Hinase ApS	Hellerup	USD 5,743	100%

9. Other fixed asset investments

	Receivables from group enterprises	Deposits
	USD	USD
Cost at 1 July	0	41,099
Additions for the year	8,429,017	829
Cost at 30 June	8,429,017	41,928
Carrying amount at 30 June	**8,429,017**	**41,928**

10. Prepayments

Prepayments comprises prepaid expenses concerning charter, insurance premiums, etc

11. Share capital

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

	2023/24	2022/23
	USD	USD

12. Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts and futures have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

Hedge accounting not applied:
- FFA and oil contracts with a duration of 0-24 months.

	2023/24 USD	2022/23 USD
Liabilities	241,515	374,351

	Value adjustment, income statement	Fair value at 30. June
	USD	USD
FFA's and oil contracts (Hedge accounting not applied)	457,140	241,515

13. Deferred income

Deferred income consists of payments received in respect of income in subsequent years and accruals regarding costs for open voyages.

14. Cash flow statement - Adjustments

	2023/24	2022/23
	USD	USD
Financial income	-366,378	-776,386
Financial expenses	231,542	3,924
Depreciation, amortisation and impairment losses, including losses and gains on sales	48	0
Income from investments in subsidiaries	-511,484	0
Tax on profit/loss for the year	202,569	372,380
Exchange adjustments	-22	0
Other adjustments	0	-453
	-443,725	**-400,535**

	2023/24	2022/23
	USD	USD

15. Cash flow statement - Change in working capital

	2023/24 USD	2022/23 USD
Change in inventories	2,275,157	202,418
Change in receivables	2,661,265	-8,368
Change in trade payables, etc	-2,191,673	240,717
	2,744,749	**434,767**

16. Contingent assets, liabilities and other financial obligations

	2023/24 USD	2022/23 USD
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	15,673,350	19,445,000
Between 1 and 5 years	3,771,500	64,510
	19,444,850	**19,509,510**

Lease obligations under operating leases consists of contractual obligations relating to short-term chartering of vessels.

The contractual obligations relating to rent and lease	72,780	145,382

Other contingent liabilities

As part of the ordinary shipping operations, the Company regularly receives claims from customers. The individual claims are provided for in the Financial Statements based on an individual assessment.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Bradley Cairns ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

17. Related parties and disclosure of consolidated financial statements

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

In the financial year there has been no transactions, that was not made on arms lenght basis.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Bradley Cairns ApS	Hellerup, Denmark

18. Fee to auditors appointed at the general meeting

	2023/24 USD	2022/23 USD
PricewaterhouseCoopers		
Audit fee	21,101	20,827
Tax advisory services	5,168	4,063
Non-audit services	3,876	5,094
	30,145	**29,984**

19. Subsequent events

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

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Union Bulk A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023/24 are presented in USD with exchange rate as 30 June 2024 USD 696,64 (30 June 2023 - USD 685,39).

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated accounts for Bradley Cairns ApS, no consolidated financial statements are prepared.

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

USD is used as the presentation currency. All other currencies are regarded as foreign currencies.

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 transaction date rates are recognised in financial income and expenses in the income statement; however.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Segment information on revenue

Information on business segments and geographical segments are based on the Companys risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Notes to the Financial Statements

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 compleated 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 measured at the consideration received and is recognised exclusive of VAT.

Direct expenses

Vessel operating costs comprise the consumables and other voyage cost consumed to achieve revenue for the year.

Other external expenses

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

Staff expenses

Staff expenses compromise wages and salaries as well as employee expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

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 of Bradley Cairns ApS, The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Property, plant and equipment

Equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at USD 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Fixed asset investments consist of deposits (rents).

Inventories

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.

Current Asset Investments

Current asset investments, which consist of shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the market price.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend 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 liabilities

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.

Cash Flow Statement

The cash flow statement shows the Company´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity