

ANNUAL REPORT 2019

SUSTAINABILITY





WHO WE ARE

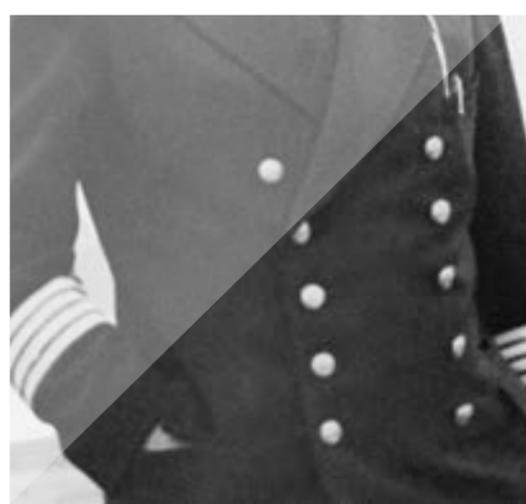
UltranaV is a privately owned shipping company operating globally with offices in 15 countries.

We operate in five market segments: Oil, gas, dry bulk, coastal trades, towage and offshore, through nine business units. We operate a fleet of gas and chemical carriers, tankers for crude oil and clean petroleum products, bulk carriers, feeder containers, multipurpose vessels, harbor tugs, OSVs, AHTSs, pusher tugs, barges and pilot boats.

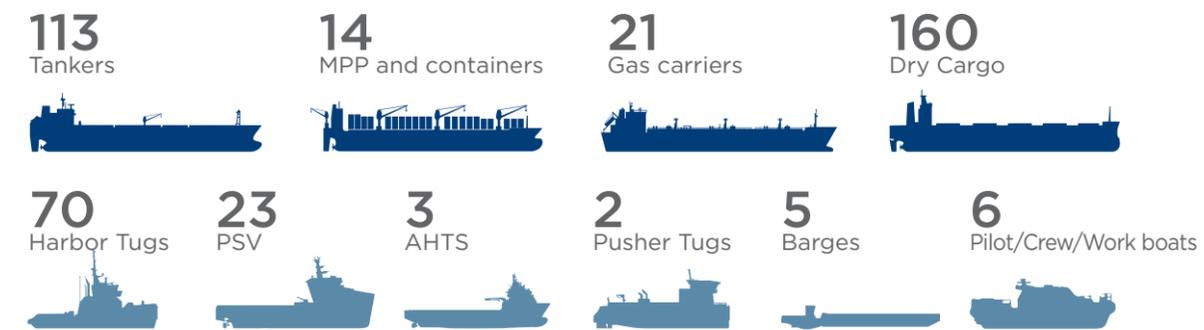


60th anniversary

In 2020, UltranaV celebrates its 60th anniversary. The company was founded by Captain Albert von Appen in 1960, and it was amongst the first to be engaged in the transport of gas in liquid form having constructed as its first vessel the "Ultragas", a 90 cubic meter capacity gas carrier. With an overall length of 23 meters, it was probably the smallest vessel of its kind ever built.



Number of vessels and tugs in our fleet | Total: 417



UltranaV - Our 9 business units



MISSION & VALUES

Our mission

We aspire to be a partner you can trust who provides efficient and safe maritime transportation services to the mutual benefit of our customers, employees, communities and the environment.

A partner you can trust

OUR VALUES

Integrity

We act in an ethical manner, focused on sustainability and safeguarding our reputation.

We encourage personal and professional development and a fair balance between work and private life.

We promote team spirit in a multicultural environment, without discrimination of any kind.

Passion

We are passionate about our work and our company.

We believe that personal commitment and work well done makes a difference.

We challenge ourselves to create value and exceed customers' expectations.

Excellence

We seek to contribute to our customers' competitiveness by anticipating and meeting their needs.

We encourage creativity and innovation, introducing solutions that are beyond the ordinary.

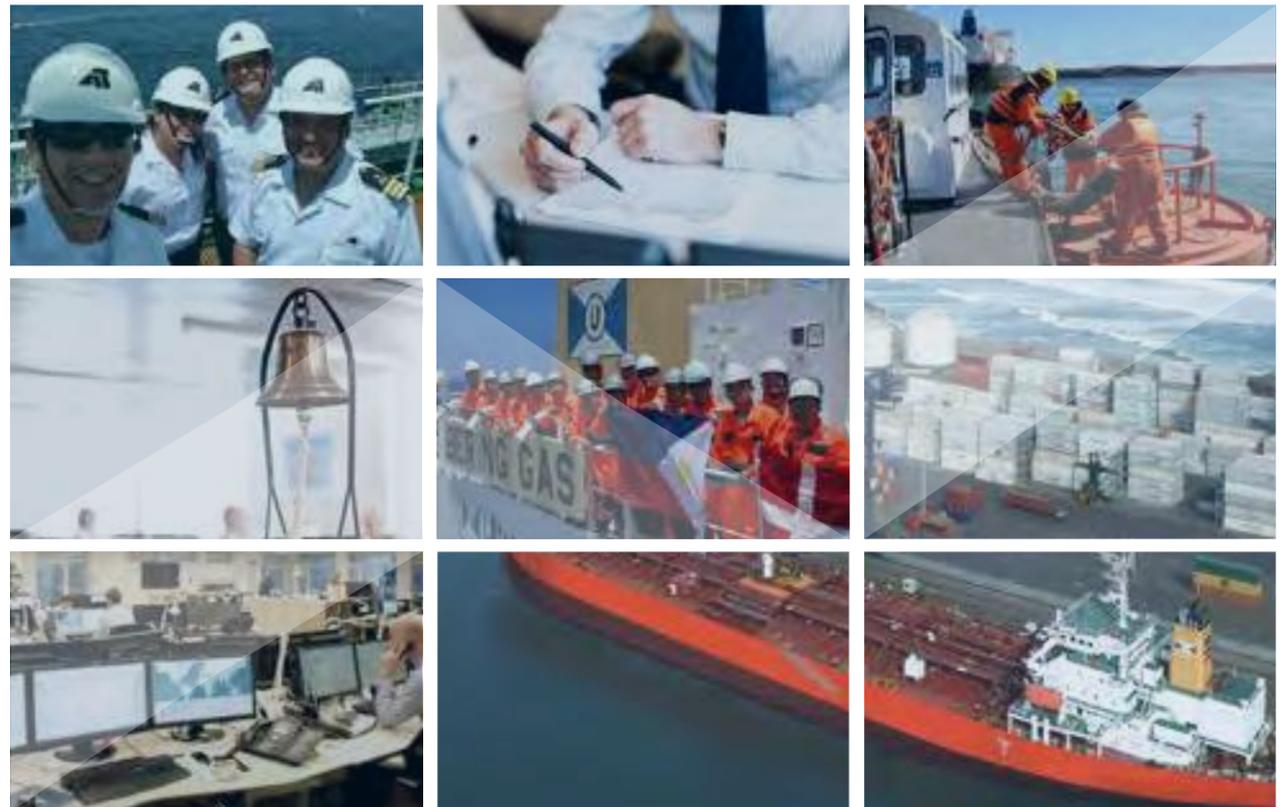
We strive to continuously improve the quality and effectiveness of services rendered.

Safety

We believe that safety is an integral part of our mindset and key to our business success.

We place safety first, to keep health, life, environment, cargoes and assets free of risks.

We are committed to developing and stimulating a safe working culture onboard ships and ashore.



We are focused on providing efficient, safe and environmentally friendly maritime transportation services to the mutual benefit of our customers, employees and all relevant stakeholders. We aspire to be “A Partner You Can Trust” for all of them.



Business Integrity and Compliance

Ultrana's Compliance Committee approved in 2019 an Investigatory Procedure applicable to the compliance reports received. The Whistleblowing Platforms were upgraded during the same period in order to include the Investigatory Procedure and to comply with GDPR.

The majority of Ultrana onshore employees received Compliance Training during 2019 in order to understand the General Business Principles and Anti-Corruption Policy. When the activities undertaken by the organization are not following these rules, all stakeholders are invited to report either directly or through the Whistleblowing Platform found on all the group companies' websites.

Ultrana is a member of MACN (Maritime Anti-Corruption Network), a global business network, as part of our commitment to working towards a maritime industry free of corruption that facilitates fair trade, to the benefit of society at large.



MACN
Maritime Anti-Corruption Network

Safety

As one of the Ultrana corporate values, safety takes a significant part of daily operations. All crews around the world are part of the UltraSafe program, designed specifically to anchor safety within our culture. The goal has been to design a global program with shared safety processes, behaviors, tools and methods, but also allowing each company to carry out the necessary local adjustments. The aim is to create a safety culture everyone trusts; resilient and strong. The key is to trust in each other's commitment and accountability, while contributing with passion and integrity.

UltraSafe Program

This program has been implemented over the past three years in Ultrana's business units with special focus on all shipmanagement activities and it has implicated changes in our procedures, measurements and goals both at sea and ashore. With the implementation of Safety Delta, we made listening to our crews the starting point of our drive towards safer operations.

Safety Delta

The Safety Delta process has been fully implemented across the fleet and is now part of the regular routines on board, increasing awareness and providing a closer look at key safety issues of the fleet. The process develops in three stages: Diagnosis, Dialogue and Development.



- The crew conducts a **DIAGNOSIS** by answering a survey about practices on board.
- **DIALOGUE** about the results and improvement opportunities are conducted among crew on board and between ship/shore.
- Specific **DEVELOPMENT** actions are defined, planned and executed on board to improve the safety conditions.

The Safety I's is a proven concept that constitutes the foundation for a strong and sustainable Safety Culture.



INSIGHT

Seek and share knowledge and understanding of all safety-related matters at all times.



INNOVATION

Strive for continuous improvement, go beyond compliance and reach for excellence.



INFLUENCE

Use your Influence to inspire your colleagues with good safety manners and to create an open and trusting atmosphere.



INTERVENTION

Be the backup for your colleagues and intervene whenever you see unsafe conditions and acts.

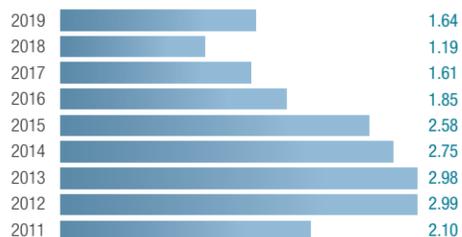
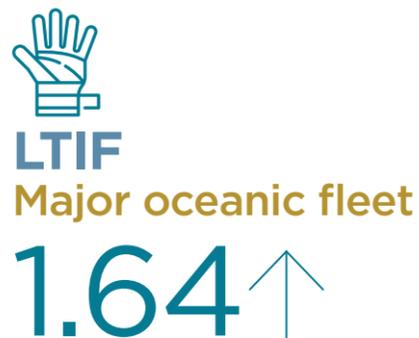


INTEGRATION

Integrate safety in all work processes, plans and activities.

Safety performance

There were no fatalities, nor total or partial disabilities due to accidents in our crews in 2019. The fleet safety performance is monitored with the Lost Time Injury Frequency (LTIF), with separate KPIs for the shipping fleet and for the tug & offshore fleet. The shipping fleet presents an LTIF of 1.64, increasing from 2018 and returning to levels similar to 2017, but still much lower than previous years. The tug & offshore fleet presents a significant decrease in its LTIF as it went from 4.53 in 2018 to 1.84 in 2019. Both fleets have improved their safety awareness and are striving to reduce the accident rates, both in quantity and severity.



Training and development – Seagoing Personnel

The development of Ultrana’s crews is one of the key aspects of our performance and it is maintained by constant training. These trainings span across diverse topics including both technical knowledge and soft skills. The UltraSafe program includes by itself a series of training materials and courses directed to enhance safety awareness, provide tools to evaluate and manage risk, and develop the overall involvement of the crews on these matters. In addition to the UltraSafe related training, we also provide scholarships so our crews can pursue further studies.

The trainings involve:

- ✓ English language
- ✓ Ultrana Culture
- ✓ Electrical / Electronic systems
- ✓ Navigation
- ✓ Security
- ✓ Store Handling
- ✓ Management systems
- ✓ Quality standards
- ✓ Gas operations
- ✓ Healthcare and First Aids
- ✓ Tanker Management Self Assessment
- ✓ Deck Operations



Training and development – Shore-based Personnel

During 2019, we continued with our Training Program in Operations and Chartering for young talents. 20 professionals from various Ultrana departments (Operations, Chartering, Analysis, Accounting, Legal and Controlling) participated in the program held in Santiago, learning about shipping economics, operations, chartering, legal aspects of shipping, insurance and basic ship management. The teachers are our experienced and specialized managers from Ultrana.

Further over the years, Ultragas and Ultrabulk have developed and fine-tuned their intensive two-year trainee program consisting of theoretical studies at the Danish Shipping Academy and hands-on training in various departments in the companies. This is complemented by an overseas assignment to one of the Ultrana operating units.

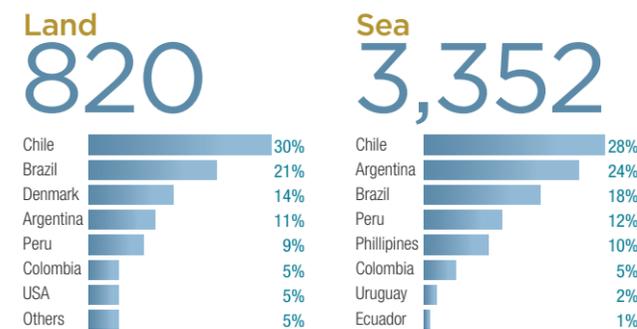
A new cycle of the competency assessment (360 degree evaluation) was done in Ultrana for senior positions. This program aims to determine the maturity of certain leadership competencies that have been defined as key for the company. Executives were evaluated by five sources (direct manager, two colleagues and two direct reports) in six key competencies. These are: strategic vision, people management, effective communication, client orientation, teamwork and customer service. At the end of the process, objective information will be obtained from participants, which will provide deep and well thought feedback and to prepare development plans that improve skills. At the end of 2019, 40 executives have been included in the program.

Even though the corporate language continues to be English, offering local language courses adds value to relationships between colleagues and companies, such as for expatriates joining Ultrana companies in Denmark and vice versa in Chile.

It also encourages the staff to participate in courses and seminars on relevant topics, as well as joining business schools/business programs including the Danish HD and MBA courses. Training varies from leadership courses to courses targeted towards a specific skill such as Accounting, Bills of Lading Masterclass, and most recently the implementation of GDPR.

Workplace Diversity

Ultrana staff are comprised of numerous nationalities, cultures and age groups.





Contributions to the community

Ultrana supports charities and non-profit organizations in various ways, working on the well-being and health of children. The charity initiatives are primarily focused on South America where the group has its roots and the majority of its activities.

Antares Naviera continues to carry out a series of activities aimed at providing support to the community and protect the environment, giving priority to the areas most in need within scope of operations – such as Comodoro Rivadavia, Ingeniero White, Puerto Deseado and others – with the purpose of integrating its efforts with those of public and private organizations to achieve common goals and targets seeking to foster sustainable human development. Thus, Antares Naviera keeps on working in conjunction with Cimientos Foundation, bringing support to 100 students of the community to complete their education. Besides, considering the difficult poverty situation Argentina is going through, Antares Naviera is actively supporting the Foundation Banco de Alimentos so as to help with the reduction of hunger and improve nutrition. Finally, Antares Naviera maintains its collaboration with the community through different projects that are being developed by NGOs such as Educar 2050, Vida Sin Violencia, Mensajeros de la Paz and En Buenas Manos, among others.

Ultrana in Chile continues to support the People Help People Foundation aiming to offer better opportunities to youngsters in Chile to support them in their continued development. Over 1,000 students are supported in three owned schools, one farm and one hotel to allow students to learn a wide range of technical skills. The foundation started in 1985 and since then these schools have been awarded several times for the high standard reached by the students in various national educational evaluations and certifications.

In 2019, Naviera Transoceánica continued to support two social projects seeking to improve the education of children in Peru, namely the “Wiese Foundation”, where Naviera Transoceánica participated in the updating and training of teachers in teaching techniques, and the “Da un Chance” Association, where Naviera Transoceánica participated in the selection of talented children with low economic resources from public schools, giving to them, full scholarships to study in private schools. The scholarship includes admission fees, annual enrollment, monthly tuition fee, annual medical insurance, books and school supplies. Naviera Transoceánica also gave a Vocational Conference to 60 low-income children, in the area of influence of the company, in Callao.

UltraShip Crewing Philippines, Inc. (UCPI) has completed several charity initiatives during 2019. UCPI donated wheelchairs for disabled persons seeking to be productive in the society. UCPI and its partner agency, Naess Shipping Phils., Inc. conducted “Brigada Eskwela” (School Brigade) at the Magalipit Elementary School to do clean-up and put up partition walls between classrooms to provide more sections for the school. And finally, instead of the traditional Christmas Party for the employees, UCPI has shared their blessing by spending the Christmas Party and distributing grocery items and toys to indigent residents in the suburbs of Tondo, Manila.

Protection of the Environment

The company takes its responsibility for the environment very seriously. Strict compliance with relevant regulations lays a strong foundation for the company. Full compliance to MARPOL – including the Ballast Water Treatment BWMS code that went into force in October 2019 – the EU-MRV and IMO-DCS data collection requirements, certification to ISO 14001 and the run up to the IMO Sulphur Cap that came into force on 1st January 2020.

Ultrana is committed to continue reducing emissions and minimizing our environmental footprint. One of the biggest climate challenges for the global shipping industry is the IMO target to reduce the overall greenhouse gas emissions (GHG) by at least 50% by 2050. Ultrana supports this ambitious goal and joined the Global Maritime Forum in its Call to Action in Support of the Decarbonization-initiative which was launched in 2018.

Getting to Zero Coalition

In 2019, Ultrana joined the Getting to Zero Coalition, an ambitious industry-led platform for collaboration organized by the Global Maritime Forum, the Friends of Ocean Action and the World Economic Forum.

By joining the Coalition, Ultrana has committed to support the development and making the deployment of ZEVs a reality by 2030, whilst also pursuing a full decarbonization of the industry by 2050.

Fuel & Energy Efficiency Initiatives and CO₂ emissions

Total emissions are monitored and the scope 1 emissions according the Global Reporting Initiative’s Sustainable Guidelines. This includes Ultrana’s owned vessels (also when chartered out), all operated vessels (also when chartered in) and pool operated vessels. With reference to 2018, the total CO₂ emissions decreased by 1.7%. Next to the total carbon footprint, the company consciously manages its efficiency. The EEOI (Energy Efficiency Operational Index) as defined in IMO MEPC.1/Circ.684, is the emissions per ton-mile transported cargo used to index the way fuels are used to transport cargo efficiently. This is in line with IMO target setting and the efforts of the Getting to Zero Coalition. In order to reduce the EEOI several actions are taken, some of which are described in the following.

Monitoring

Online vessel performance monitoring is used for optimizing voyages as well as implementing trim optimization. This requires installation of hardware on-board the vessels as well as a connection to the shore. In 2019, monitoring hardware has been installed on three acquired vessels as well as three existing vessels.

Hull performance

The performance of the hull is affected by many parameters, such as idle days, environmental conditions, coating and speed. Therefore, the hull performance is closely monitored and assured. A hull cleaning strategy together with application of high-quality coatings, such as the new X7 anti-fouling, will ensure minimum resistance and an optimal performance.

Weather routing and trim optimization

Voyages are being tracked and supported by weather forecasting providers that assure a safe passage which is routed in the most optimal manner. An optimal trim of the vessel, which is the angle of the vessel in the water, can yield to savings between 1-4%. In the fleet, 30 vessels are provided with trim optimization software.

Alternative energy sources

Feasibility studies for using sails on-board of a Panamax bulk carrier is being carried out. These are in the evaluation phase and pending investors.

Cargo heating

Specific heating strategy for each voyage along with the benchmarking methodology of the American Productivity & Quality Center has significantly reduced the fleet energy consumption. This initiative has resulted in improved overall heating performance and saved 2,860 MT of fuel in the Ultratank fleet.

Multi-Segments	Emissions tonne CO ₂	EEOI g/tonne.mile
Gas Tankers		
Ultragas	116,820	45.1
Naviera Transoceánica	17,222	153.0
Tankers		
Ultratank	1,449,938	14.5
Antares Naviera	34,148	22.2
Naviera Transoceánica	88,921	38.6
Ultrana Chile	120,550	24.0
Dry Bulk		
Ultrabulk	1,509,453	8.4
Horizon	415,510	8.0
Naviera Los Inmigrantes	31,919	10.3
MPP		
Ultrana Chile	26,274	26.1
Harbour towage		
Ultratug	44,446	-
TOTAL	3,855,201 tonnes CO₂	

IMO 2020 Sulphur Cap

As from 1st January 2020, the IMO Sulphur Cap has come into force and that has been prepared well in advance.

The regulation dictates that vessels are not allowed to operate on HSHFO unless a scrubber is installed. All vessels run on compliant fuel and seven vessels had scrubbers installed. In 2019, additional five scrubbers have been installed bringing the total to 12 scrubbers. All vessels are compliant to regulations.

Furthermore, Ultratank, Ultrabulk and Ultragas continues to participate in the Trident Alliance which supports enforcement of sulphur regulations. With this coalition shipping owners and operators share the interest in robust enforcement and collaborate to help bring it about.

Responsible management of waste and vessel discharges

Garbage from vessels is sorted out and disposed of in accordance with international regulations and local legislation at the host ports. Where possible, Ultrana endeavors to land garbage ashore in ports for recycling, if facilities are available and in compliance with local regulations.

Slops generation is always monitored, and efforts are taken to reduce same. The disposal of slops is handled in strict compliance with MARPOL and local regulations.

Responsible vessel scrapping

Ultrana is strictly following the Hong Kong Convention and other applicable regulations in relation to health, safety and environmental issues when it comes to ship recycling. In 2019, no vessels have been recycled.

IT initiatives & Cyber Security

Across business units further investments were made in 2019 in online monitoring and optimization software to achieve better voyage performance and reduced GHG emissions. The important work to become more fuel-efficient and to optimize all processes and workflows will continue in the years to come. Ultrana also further invested in automation processes through Robotics and Data Analytics.

Cyber security has been a growing topic in the shipping industry, and it is also a high priority for Ultrana. IMO has generated a new set of requirements giving ship owners and managers until 2021 to incorporate cyber risk management into ship safety. Ultrana's shipmanagements have already included cyber security as part of their Safety Management Systems and are working to continuously reduce the exposure. Cyber security awareness is being promoted ashore and at sea, as an effective cyber security culture reduces the risk of

cyber attacks and protects us against the unauthorized use of our systems, networks and technologies.

Other specific business unit IT initiatives includes Naviera Transoceánica developing detailed applications for the fleet, and Antares Naviera launching several initiatives such as adding and configuring peripheral safety equipment (firewalls) and software to control the traffic and internet access to and from vessels, enhancing satellite units (VSAT) of the vessels to achieve an upgrade in the bandwidth of the internet broadband from 1Mbps to 4Mbps, and installing CCTV cameras for remote monitoring and recording of critical areas on-board.

Furthermore, Ultrabulk has partnered up with a supplier to outline an IT system to help predict vessels' performance over time from newbuildings to present in order to minimize GHG emissions. This system, which is expected to be operational in 2020, will help determine at what speed the vessel should sail to achieve the most optimal voyage performance.

Horizon Shipping has been working on a project for forecasting the number of vessels entering the West Coast South American area with the aim to anticipate market changes for both chartering vessels and negotiating cargos. This will be done by combining different data sources ranging from real-time vessel position databases to market information gathered on the phone.

Initiatives by Ultrana Chile provided new tools that will greatly enhance the capacities of its teams. One is the implementation of the container tracking module for Avante by the end of the year laying the ground work for a new container tracking tool for the clients during 2020 and another is the new platform to monitor weather conditions and predict port closings.

FLEET LIST SUMMARY

The Ultrana Group has built up a fleet of owned and chartered vessels, in total 417 vessels by the end of 2019. Fleet composition is diversified in terms of both type and size and adjusted on a current basis in order to meet trades and partners' multifaceted requirements. The Group presently has one MR Product tanker and four bulk carriers under construction.

Deep sea fleet

	Owned	Time Charter > 1 year	Time Charter < 1 year	Pool	Total	NB Owned	NB Time Charter	Brand / Company
Gas Tankers	21	-	-	-	21	-	-	
LPG Smallsize / 4,000-12,000 cbm	11	-	-	-	11	-	-	Ultragas / Navitranso
LPG Handysize / 15,000-36,000 cbm	10	-	-	-	10	-	-	
Tankers	41	29	7	36	113	-	1	
Chemical / 14,000-35,000 dwt	5	18	1	-	24	-	-	
Product Handy / 5,000-45,000 dwt	12	-	-	-	12	-	-	Ultratank / Antares / Navitranso / Ultrana Chile
Product MR / 45,000-55,000 dwt	9	4	-	7	20	-	1	
Crude Oil Panamax / 65,000-80,000 dwt	11	3	6	24	44	-	-	
Crude Oil Aframax/ 100,000-120,000 dwt	4	4	-	5	13	-	-	
Dry Bulk	10	46	104	-	160	1	4	
Handymax / 25,000-45,000 dwt	4	8	45	-	57	-	-	Ultrabulk / Horizon / Ultrana Chile
Supramax / 45,000-65,000 dwt	3	25	44	-	72	1	1	
Panamax / 65,000-85,000 dwt	3	13	15	-	31	-	3	
MPP / 8,000-17,000 dwt	6	2	6	-	14	-	-	Transmares / Ultrabulk
Total Fleet	78	77	117	36	308	1	5	

Towage & Offshore

	Owned/ Total
Towage & Offshore	109
Harbor Tugs	70
AHTS	3
PSV	23
Pilot Boats	6
Pusher Tugs & Barges	7
Total Vessels	109



ULTRANAV COMPANIES



Ultratank operates a balanced mix of chemical, CPP and crude oil / DPP tankers.
www.ultratank.com



Ultragas operates a broad range of specialized gas carriers, through two operating entities, Unigas and Ultragas ApS.
www.ultragas.dk



Ultrabulk is a dry bulk operator and owner with an industrial focus.
www.ultrabulk.com



UltranaV Chile owns and operates various vessel types involved in Chilean cabotage and regional trades.



Transmares is a container, break bulk and project cargo specialist, serving Chile, Peru and Mexico.
www.transmares.cl



Horizon is a leading bulk dry cargo operator in the WCSA, specializing in transporting concentrates, such as copper and zinc.
www.horizonshippingpanama.com



Antares Naviera is an Argentinean shipowner and operator providing regional transportation services for crude oil and by-products.
www.antareshnaviera.com



Naviera Transoceánica (Navitranso) is a Peruvian coastal cabotage market player, specialized in carriage of hydrocarbon fuels, sulphuric acid and LPG.
www.navitranso.com



Ultratug operates offshore vessels, harbor & LNG terminal tugs & pilot boats, servicing the majority of ports along the Pacific coastline and the Atlantic coastline.
www.ultratug.com



Wilson Sons Ultratug Offshore has one of the largest and most modern offshore support vessel fleets in Brazil. It offers maritime support to oil and gas extraction and production platforms.
www.wilsonsons.com.br



Cape Tankers manages Panamax International and Andes Tankers operations.
www.panamaxinternational.com



Panamax International (PI) is a joint venture, operating a modern fleet of double-hull Panamax / LR1 tankers.
www.panamaxinternational.com



Clean Product Tankers Alliance (CPTA) is a joint venture operating medium range product tankers.
www.cptalliance.com



UltraShip provides ship-management services to the full Ultragas fleet as well as a number of Ultrabulk's dry cargo carriers.
www.ultragas.dk



Humboldt Shipmanagement provides shipmanagement services to related companies including ship inspections, newbuilding supervision and crewing.
www.humboldt.cl

Related Company



Ultramar is one of the leading providers of integrated port services and cargo logistic solutions in the Americas. Ultramar's activities include agency services, container depots, stevedoring and port operations.
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