ANNUAL REPORT 2017

MALIK SUPPLY A/S

Skibbrogade 3, 2. Sal

9000 Aalborg

Central Business Registration No. 12 65 51 42

The Annual General Assembly adopted the annual report at 15.03.2018

Chairman of the General Meeting

Name: Steen Møller

Contents

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and appoved the annual report of Malik Supply A/S for the financial year 01.01.2017 – 31.12.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity´s financial position at 31.12.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 – 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 15.03.2018

Executive Board

Steen Møller Jensen

Board of Directors

Eggert Thor Kristofersson

Gudjon Audunsson

Bent Jørgensen

Independent auditor´s reports

To the owners of Malik Supply A/S

Opinion
We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Malik Supply A/S for the financial year 01.01.2017 – 31.12.2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31.12.2017, and of the results of the Group and Parent Company operations as well as the consolidated cash flows for the financial year 01.01.2017 – 31.12.2017 in accordance with the Danish Financial Statements Act.

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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 of accounting information taken on the basis of these Consolidated Financial Statements and Parent Company Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Group’s and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group’s and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the Consolidated Financial Statements or the Parent Company 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.

Independent auditor´s reports

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

Pandrup, 15.03.2018

HS Revision & Rådgivning
Godkendt Revisionspartnerselskab
CVR-nr. 36 92 02 89

Peter Wulff Andersen
State Authorised Public Accountant
mne29391

Entity details

Entity	Malik Supply A/S Skibbrogade 3, 2. sal 9000 Aalborg	
	Central Business Registration No: Registered in: Financial year::	12 65 51 42 Aalborg 01.01.2017 – 31.12.2017
Board of Directors	Eggert Thor Kristofersson Gudjon Audunsson Bent Jørgensen	
Executive Board	Steen Møller	
Entity auditors	HS Revision & Rådgivning Godkendt Revisionspartnerselskab Torvegade 7 9490 Pandrup	

Management commentary

	2017	2016	2015	2014	2013
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Gross profit	47.471	37.189	36.918	29.251	5.630
Operating profit/loss	12.877	7.809	12.603	11.037	1.302
Net financials	-4.494	-2.802	-5.387	-4.542	1.304
Profit/loss for the year	6.193	3.697	5.572	4.851	2.368
Total assets	303.944	268.292	139.119	145.784	73.219
Investments in property, plant and equipment	2.921	18.215	3.959	21.595	318
Equity	43.824	37.631	33.934	28.362	23.511
Subordinate loan capital	15.500	12.750	12.750	12.750	14.450
Ratios					
Return on equity (%)	12,8	10,3	17,9	18,7	10,6
Equity ratio (%)	15,9	14,0	24,4	19,5	32,1
Equity + subordinate loan capital ratio (%)	21,0	18,8	33,6	28,2	51,8

The key figures and ratios for 2013 exclusively represent Malik Supply A/S as there has not been prepared consolidated financial statements for this year.

Management commentary

Main Activity

The main activity for the Group consists of sale and purchase of oil products to the maritime industry.

Development in 2017

Group operation (EBIT) was tDKK 12.877 in 2017 compared with tDKK 7.809 in 2016, which development is to the satisfaction of the management.

The profit after tax for 2017 reached tDKK 6.193 and end of the year the equity including subordinated loans was tDKK 59.324.

Management considers the net result achieved to their satisfaction.

Return on equity of 12,8 % is regarded as acceptable by the Management.

The Malik Supply Group

The Malik Supply Group consists of trading activities world wide with a special focus on the North Atlantic area, physical supply of marine fuels in various Danish ports and waters, and local distribution and supply of fuels in Greenland.
The Malik Supply Group has an independent Board of Directors, who conduct the development of the Group through the long-term strategy.
The trading activities were boost in 2015 through an increase in numbers of traders, and the development through 2016 and 2017 has been performed accordingly on a high level.
The physical supply in Danish ports and waters is carried out through its 7 storages in Denmark and undertaken by 11-12 barges, where 8 barges are owned by the Group. In 2016 the Group decided to increase the activity in the waters off Skaw, and through 2017 that activity has reached an acceptable level.
During 2015-17 all storages and barges have undergone a significant maintenance program to ensure highest level of HSEQ, which has highest priority within the Group.
The business in Greenland is developing on a steady level in accordance with expectations.

Expectations for 2018

The Group expect to continue the business growth development through the coming years, where both the world-wide trading as well as the supplies in Danish ports and waters will receive further resources in terms of more skilled personnel and increased storage- and barge capacity. The resources added will be done according the Groups strategy, which will place the Group in a strong position towards 2020, when the industry will face a significant change in the pattern with the world-wide Sulphur cap of 0,5%.
The Group is preparing to offer new products to its customers, where LNG probably will play an important role in the next decade, and the Group intend to be one of the first players to offer this service in cooperation with its strategic partners.

Corporate social responsibility

This section constitutes the compliance with the Danish Financial Statements Act, section 99(a)

The Malik Supply Group is through its values and corporate governance playing an important role for its responsibility around the social environment both internally as well as externally.

Health, safety, environmental and quality

The Group prioritizes all issues within the Safety, Health and Environmental matters to be equal importance as operational matters.
We strive on preventing all kind of working-related accidents on any personnel and avoiding any kind of incident on the equipment and the environment.
We keep focus on our employees understanding and consciousness of the environment, and continuously evaluate the risks, analyses the results, and incorporate possible improvements.

Management commentary

Transparency and ethics

The Malik Supply Group is aware of and strictly obeys the laws and regulations that govern the management of our business. We are responsible for understanding these laws and regulations as they apply to our jobs and for preventing, detecting and reporting instances of non-compliance.
It is our policy to conduct all our business with integrity. We do not tolerate bribery and corruption and are committed to acting professionally, fairly and in an honest and ethical manner in all our business dealings and relationships wherever we operate.

Capital structure

The capital structure of the Group is being prioritized by the management to secure highest level of creditworthiness among its suppliers and to maintain a suitable level of solvency. To ensure the future development of the Group, it has been decided to obtain subordinated loans to complement the level of equity.

Risk management

Risk management is carried out with the purpose of minimize all kind of risks towards the Group. The Group has identified a number of risks, which is discussed continuously within the Management. In case these risks can be removed or reduced, the management will evaluate carefully how to deal with such a risk.

Market risks

The oil price development is the main risk towards the Group, and it is a management decision to cover all the storage of oil, so any kind of fluctuation in the oil price will have no effect on the value of the storage. The coverage of the storage is mainly done by use of derivates.

Currency risks

The purchase of oil is mainly denominated in USD, while the sales is mainly denominated in USD, EUR and DKK. The difference in USD between the purchase and the sales is covered by the using of forward currency exchange agreements.

Credit risks

All customers of the Group are being evaluated in terms of their creditworthiness before sales are carried through. The Group does not use insurance of the trade receivables, as the management find the pricing from the insurer too high compared with the customer creditworthiness. The Group has a rather conservative viewpoint in the evaluation of the customers, and as the Group prioritise a long-term relationship with its customers, the confidence between the Group and the customers are being built on a sound basis over time.

Other risks

The management has identified other less important risks as i.e. the development in the interest rate and the refinancing of credit facilities. The management has in each case discussed to what extend such risk can be removed or reduced, and the costs involved relative to the outcome, and decided whether any action shall be initiated relative to the specific risk. All risks are discussed within the Management on a frequently basis.

Gender distribution

This section constitutes the compliance with the Danish Financial Statements Act, section 99(b)

We aim on an increase in the number of under-represented gender within the Management of the Group but will at any time choose the most competent and suitable candidate. To act according to the Danish Financial Statements Act, the Malik Supply Group has a goal to include minimum one female member of the Group’s Board of Directors latest in 2020.

Consolidated income statement for 2017

	Notes	2017	2016
		DKK	DKK'000
Revenue	1	2.071.102.117	1.386.586
Other operating income		674.406	502
Cost of sales		-2.012.023.613	-1.340.862
Other external expenses	2	-12.282.265	-9.038
Gross profit		**47.470.645**	**37.189**
Staff costs	3	-27.900.061	-23.594
Depreciation, amortization and impairment losses	4	-6.690.438	-5.786
Other operating expenses		-3.511	0
Operating profit/loss		**12.876.635**	**7.809**
Income from investments in associates		0	305
Other financial income	5	971.757	931
Other financial expenses	6	-5.465.830	-4.038
Profit/loss from ordinary activities		**8.382.563**	**5.008**
Tax on profit/loss from ordinary activities	7	-2.189.128	-1.311
Profit/loss for the year	8	**6.193.435**	**3.697**

Consolidated balance sheet at 31.12.2017

Assets

	Notes	2017 DKK	2016 DKK'000
Fixed assets			
Intangible assets			
Goodwill		5.113.926	6.082
Intangible assets	9	**5.113.926**	**6.082**
Property, plant and equipment			
Land and buildings		11.544.326	12.412
Leasehold improvements		154.155	200
Ships		15.760.392	16.542
Other fixtures and fittings, tools and equipment		11.742.790	13.088
Property, plant and equipment	10	**39.201.663**	**42.241**
Fixed assets		**44.315.589**	**48.324**
Current assets			
Inventories			
Manufactured goods and goods for resale		68.875.699	56.276
Inventories		**68.875.699**	**56.276**
Receivables			
Trade receivables		163.817.337	146.209
Receivables from group enterprises		12.071.628	12.524
Other short-term receivables	12	1.967.008	2.014
Prepayments	13	642.107	409
Receivables		**178.498.080**	**161.156**
Cash		**12.254.207**	**2.537**
Current assets		**259.627.986**	**219.968**
Assets		**303.943.575**	**268.292**

Consolidated balance sheet at 31.12.2017

Equity and liabilities

	Notes	2017 DKK	2016 DKK'000
Equity			
Contributed capital		1.140.000	1.140
Retained earnings		42.684.060	36.491
Equity		**43.824.060**	**37.631**
Provisions			
Provisions for deferred tax	14	1.745.945	1.963
Provisions		**1.745.945**	**1.963**
Liabilities other than provisions			
Non-current liabilties other than provisions			
Subordinate loan capital		15.500.000	3.750
Bank loans		8.682.628	11.051
Non-current liabilties other than provisions	15	**24.182.628**	**14.801**
Current liabilties other than provisions			
Current portion of long-term liabilities other than provisions	15	2.272.910	13.578
Bank loans		119.345.139	75.903
Prepayments		1.012.195	852
Trade payables		105.869.772	116.984
Income tax payable		1.007.959	1.759
Other payables		4.682.967	4.820
Current liabilties other than provisions		**234.190.942**	**213.897**
Liabilities other than provisions		**258.373.570**	**228.698**
Equity and liabilities		**303.943.575**	**268.292**

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Consolidated statement of changes in equity for 2017

	Contributed Capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1.140.000	36.490.629	37.630.627
Profit/loss for the year	0	6.193.435	6.193.435
Equity end of year	**1.140.000**	**42.684.060**	**43.824.060**

Consolidated cash flow statement for 2017

	Notes	2017	2016
		DKK	DKK'000
Operating profit/loss		12.876.635	7.809
Amortisation, depreciation and impairment losses		6.690.438	5.786
Working capital changes	16	-42.637.955	-30.849
Other adjustments		-156.097	1.010
Cash flow from ordinary operating activities		**-23.226.979**	**-16.243**
Financial income received		971.757	931
Financial income paid		-5.465.830	-4.038
Income taxes refunded/(paid)		-1.759.166	-1.687
Cash flows from operating activities		**-29.480.218**	**-21.037**
Acquisition goodwill		0	-3.817
Acquisition etc. of property, plant and equipment		-2.921.486	-15.453
Sale of property, plant and equipment		600.828	222
Cash flows from investing activities		**-2.320.658**	**-19.048**
Loans raised, instalments on loans etc		-1.923.817	6.296
Cash flows from financing activities		**-1.923.817**	**6.296**
Increase/decrease in cash and cash equivalents		**-33.724.693**	**-33.789**
Cash and cash equivalents beginning of year		-73.366.239	-39.578
Cash and cash equivalents end of year		**-107.090.932**	**-73.366**
Cash and cash equivalents at year-end are composed of:			
Cash		12.254.207	2.537
Short-term debt to banks		-119.345.139	-75.903
Cash and cash equivalents end of year		**-107.090.932**	**-73.366**

Notes to consolidated financial statements

1 Revenue

The group's activities are perceived as one segment – trade in oil for vessels etc.

2 Fee to auditors appointed at the general meeting

In accordance with section 96 (3) of the Danish Financial Statements Act the group refer to the Annual report for the parent company concerning fee to auditors appointed at the general meeting.

3 Staff costs

	2017 DKK	2016 DKK'000
Wages and salaries	24.636.271	20.827
Pension costs	2.503.197	2.142
Other social security costs	276.896	290
Other staff costs	483.698	334
Staff costs	**27.900.061**	**23.594**
Average number of employees	61	52

In accordance with Section 98b(3) of the Danish Financial Statements Act, the company has omitted to specify remuneration to management.

4 Depreciation, amortisation and impairment losses

	2017 DKK	2016 DKK'000
Amortisation of intangible assets	968.282	969
Depreciation of property, plant and equipment	5.722.156	4.817
Depreciation, amortisation and impairment losses	**6.690.438**	**5.786**

5 Other financial income

	2017 DKK	2016 DKK'000
Financial income arising from group enterprises	510.702	547
Interest income	461.055	385
Other financial income	**971.757**	**931**

Notes to consolidated financial statements

6	Other financial expenses	2017 DKK	2016 DKK'000
	Interest expenses	5.465.830	4.038
	Other financial expenses	**5.465.830**	**4.038**

7	Tax on profit/loss from ordinary activities	2017 DKK	2016 DKK'000
	Tax on current year taxable income	2.406.333	1.043
	Change in deferred tax for the year	-217.205	268
	Tax on profit/loss from ordinary activities	**2.189.128**	**1.311**

8	Proposed distribution of profit/loss	2017 DKK	2016 DKK'000
	Proposed dividend	0	0
	Retained earnings	6.193.435	3.697
	Proposed distribution of profit/loss	**6.193.435**	**3.697**

9	Intangible assets	Goodwill DKK
	Cost beginning of year	8.825.609
	Additions	0
	Cost end of year	**8.825.609**
	Amortisation and impairment losses beginning of year	-2.743.401
	Amortisation for the year	-968.282
	Amortisation and impairment losses end of year	**-3.711.683**
	Carrying amount end of year	**5.113.926**

10 Property, plant and equipment

	Land and buildings DKK	Ships DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	13.094.720	22.212.460	24.100.737	227.963
Additions	0	1.017.836	1.903.650	0
Disposals	0	0	-419.900	0
Cost end of year	**13.094.720**	**23.230.296**	**25.584.487**	**227.963**
Depreciation and impairment losses beginning of the year	-682.814	-5.670.469	-11.013.067	-28.215
Impairment losses for the year	0	0	0	0
Depreciation for the year	-867.580	-1.799.435	-3.009.558	-45.593
Reversal regarding disposals	0	0	180.928	0
Depreciation and impairment losses end of the year	**-1.550.394**	**-7.469.904**	**-13.841.697**	**-73.808**
Carrying amount end of year	**11.544.326**	**15.760.392**	**11.742.790**	**154.155**

11 Subsidiaries

	Registered in	Corporate form	Equity interest %
Nordic Marine Oil A/S	Aalborg	A/S	100
Malik Supply Greenland ApS	Nuuk	ApS	100
G.O. af 01.10.2006 ApS	Nuuk	ApS	100
Orsiivik ApS	Nuuk	ApS	100

12 Other short-term receivables

Other receivables recognised under current assets consist of contracts concluded with counterparties as well as other other receivables.

13 Prepayments

The item consists of prepaid expenses.

14 Deferred tax

	2017 DKK	2016 DKK'000
Intangible assets	42.027	-84
Property, plant and equipment	2.126.122	2.465
Liabilities other than provision	-422.204	-418
Deferred tax	**1.745.945**	**1.963**

15 Long-term liabilities other than provision

	Instalments within 12 months 2017 DKK	Instalments within 12 months 2016 DKK'000	Instalments beyond 12 months 2017 DKK
Subordinate loan capital	0	9.000	15.500.000
Bank loans	2.272.910	4.578	8.682.628
Long-term liabilities other than provision	**2.272.910**	**13.578**	**24.182.628**

16 Change in working capital

	2017 DKK	2016 DKK'000
Increase/decrease in inventories	-12.600.048	-42.613
Increase/decrease in receivables	-18.946.558	-74.289
Increase/decrease in trade payables etc.	-11.091.349	86.054
Change in working capital	**-42.637.955**	**-30.849**

17 Derivative financial instruments

Derivative financial instruments are used to secure the risk of oil inventories and are recognised in the income statement.

The group has sold oil futures which as per. 31.12.2017 has a net marketvalue of USD -292k. The derivative matures within 0-3 months from the balancesheet date.

18 Unrecognised rental and lease commitments

	2017 DKK	2016 DKK'000
Commitments and rental agreements or leases until expiry	63.000	63

19 Contingent liabilities

In relation to the rental contracts with Danish harbours, there is a potential obligation for environmental treatment.

The group has an obligation on leasing buildings of DKK 6.411k.

The Group's bank has provided security towards cooperative partners amounting to DKK 820k.

The group has sold oil to a counterparty with an obligation to buy the oil back to the market price. 31.12.2017, the obligation is DKK 6,632k.

The Entity participates in a Danish joint taxation arrangement with Abaris Holding ApS serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company´s financial statements.

20 Mortgages and securities

Bank debt of DKK 81.243k is secured on a floating charge of DKK 49,500k on the Company's fixed assets, inventories and unsecured claims. Moreover, there is a floating charge of DKK 40,500k secured on the companies' unsecured claims, inventories, intellectual property rights and fixed assets. The carrying amount of the assets charged is DKK 224,308k at 31.12.2017.

Bank debt of DKK 81.243k has been secured by a deposited all-monies mortgage of DKK 12,000k on one of the Company's vessels. The carrying amount of the asset charged is DKK 12,141k at 31.12.2017. Moreover, the bank has a mortgage registered to the owner on real property of DKK 3,500k in land and buildings with a carrying amount of DKK 721k at 31.12.2017.

Bank debt of DKK 18.064k has been secured by an all-money mortgage of DKK 11.000k on land and buildings with a carrying amount of DKK 9.969k at 31.12.2017.

Debt of DKK 29.225k has been secured in specific receivables from sale amounting to DKK 32.472k.

21 Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Abaris Holding ApS, Aalborg

Parent income statement for 2017

	Notes	2017	2016
		DKK	DKK'000
Revenue		692.290.634	526.671
Other operating income		0	94
Cost of sales		-675.494.511	-513.101
Other external expenses		-3.742.727	-1.337
Gross profit		**13.053.396**	**12.327**
Staff costs	22	-7.584.295	-7.224
Depreciation, amortization and impairment losses	23	-643.643	-620
Other operating expenses		-3.511	0
Operating profit/loss		**4.821.947**	**4.482**
Income from investments in group enterprises		3.016.066	40
Income from investments in associates		0	305
Other financial income	24	1.548.663	1.635
Other financial expenses	25	-2.276.481	-1.760
Profit/loss from ordinary activities before tax		**7.110.195**	**4.702**
Tax on profit/loss from ordinary activities	26	-916.760	-1.005
Profit/loss for the year	**27**	**6.193.435**	**3.697**

Proposed distribution of profit

Retained earnings previous years		28.095.049	24.744
Profit/loss for the year		6.193.435	3.697
Available		**34.288.484**	**28.440**
Reserve for net revaluation according to the equity method		3.016.066	345
Retained earnings		31.272.418	28.095
Disposed in total		**34.288.484**	**28.440**

Parent balance sheet at 31.12.2017

Assets

	Notes	2017	2016
		DKK	DKK'000
Fixed assets			
Property, plant and equipment			
Leasehold improvements		154.155	200
Other fixtures and fittings, tools and equipment		1.699.208	2.339
Property, plant and equipment	28	**1.853.363**	**2.539**
Fixed asset investments			
Investments in group enterprises		23.636.644	20.621
Fixed asset investments	29	**23.636.644**	**20.621**
Fixed assets		**25.490.007**	**23.159**
Current assets			
Receivables			
Trade receivables		54.681.048	47.514
Receivables from group enterprises		34.018.507	36.464
Deferred tax assets	30	82.150	58
Other short-term receivables		261.425	0
Prepayments	31	171.064	198
Receivables		**89.214.194**	**84.235**
Cash		**2.358.947**	**2.266**
Current assets		**91.573.141**	**86.501**
Assets		**117.063.148**	**109.661**

Parent balance sheet at 31.12.2017

Equity and liabilities

	Notes	2017 DKK	2016 DKK'000
Equity			
Contributed capital	32	1.140.000	1.140
Reserve for net revaluation according to the equity method		11.411.644	8.396
Retained earnings		31.272.418	28.095
Equity		**43.824.062**	**37.631**
Liabilities other than provisions			
Non-current liabilties other than provisions			
Subordinate loan capital	33	15.500.000	3.750
Non-current liabilties other than provisions		**15.500.000**	**3.750**
Current liabilties other than provisions			
Current portion of long-term liabilities other than provisions	33	0	9.000
Bank loans		8.460.075	20.543
Trade payables		47.784.353	36.254
Payables to group enterprises		262.112	247
Income tax payable		0	953
Other payables		1.232.546	1.283
Current liabilties other than provisions		**57.739.086**	**68.280**
Liabilities other than provisions		**73.239.086**	**72.030**
Equity and liabilities		**117.063.148**	**109.661**

Subsidiaries	11
Derivative financial instruments	34
Contingent liabilities	35
Mortgages and securities	36
Related parties	37

Parent statement of change in equity for 2017

	Contributed Capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1.140.000	8.395.578	28.095.049	37.630.627
Profit/loss for the year	0	3.016.066	3.177.369	6.193.435
Equity end of year	**1.140.000**	**11.411.644**	**31.272.418**	**43.824.062**

22 Staff costs

	2017 DKK	2016 DKK'000
Wages and salaries	6.639.434	6.293
Pension costs	868.383	846
Other social security costs	76.479	85
Staff costs	**7.584.295**	**7.224**

Average number of employees	11	11

In accordance with Section 98b(3) of the Danish Financial Statements Act, the company has omitted to specify remuneration to management.

23 Depreciation, amortisation and impairment losses

	2017 DKK	2016 DKK'000
Depreciation of property, plant and equipment	643.643	620
Depreciation, amortisation and impairment losses	**643.643**	**620**

24 Other financial income

	2017 DKK	2016 DKK'000
Financial income arising from group enterprises	1.386.803	1.406
Interest income	161.860	229
Other financial income	**1.548.663**	**1.635**

25 Other financial expenses

	2017 DKK	2016 DKK'000
Interest expenses	2.276.481	1.760
Other financial expenses	**2.276.481**	**1.760**

26 Tax on profit/loss from ordinary activities

	2017 DKK	2016 DKK'000
Tax on current year taxable income	940.782	953
Change in deferred tax for the year	-24.022	52
Tax on profit/loss from ordinary activities	**916.760**	**1.005**

27 Proposed distribution of profit/loss

	2017 DKK	2016 DKK'000
Proposed dividend	0	0
Reserve for net revaluation according to the equity method	3.016.066	345
Retained earnings	3.177.369	3.352
Proposed distribution of profit/loss	**6.193.435**	**3.697**

28 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	3.882.445	227.963
Additions	81.770	0
Disposals	-120.000	0
Cost end of year	**3.844.215**	**227.963**
Depreciation and impairment losses beginning of the year	1.543.446	28.215
Impairment losses for the year	0	0
Depreciation for the year	598.050	45.593
Reversal regarding disposals	3.511	0
Depreciation and impairment losses end of the year	**2.145.007**	**73.808**
Carrying amount end of year	**1.699.208**	**154.155**

29 Fixed asset investments

	Investment in group enterprises DKK
Cost beginning of year	12.225.000
Additions	0
Disposals	0
Cost end of year	**12.225.000**
Revaluations beginning of year	8.395.578
Amortisation of goodwill	-682.562
Share of profit/loss for the year	3.698.628
Disposals	0
Revaluations end of year	**11.411.644**
Carrying amount end of year	**23.636.644**

30 Deferred tax assets

	2017 DKK	2016 DKK'000
Property, plant and equipment	52.596	77
Liabilities other than provision	-134.746	-135
Deferred tax	**-82.150**	**-58**

31 Prepayments

The item consists of prepaid expenses.

32 Contributed capital

	Number	Par value DKK	Nominel value DKK
Ordinary shares	1.140	1.000	1.140.000
	1.140		**1.140.000**

33 Long-term liabilities other than provision

	Instalments within 12 months 2017 DKK	Instalments within 12 months 2016 DKK'000	Instalments beyond 12 months 2017 DKK
Subordinate loan capital	0	0	15.500.000
Long-term liabilities other than provision	**0**	**0**	**15.500.000**

34 Derivative financial instruments

Derivative financial instruments are used to secure the risk of oil inventories and are recognised in the income statement.

The group has sold oil futures on behalf of Nordic Marine Oil A/S, which as per. 31.12.2017 has a net marketvalue of USD -292k. The derivative matures within 0-3 months from the balancesheet date.

35 Contingent liabilities

The company has a restobligation on leasing buildings of DKK 2.248k.

The Company's bank has provided a guarantee for the rent deposit of DKK 318k.

The Company has guaranteed a share of the bank debt of the group enterprise G.O. af 01.10.2006 ApS. The Company's share of the guarantee amounts to DKK 600k at 31.12.2017.

The Company participates in a Danish joint taxation arrangement with Abaris Holding ApS serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed entities and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company´s financial statements.

36 Mortgages and securities

Short-term bank debt is secured on a floating charge of DKK 24,000k on the Company's inventories and unsecured claims. Moreover, there is a total floating charge of DKK 40,500k relating to Malik Supply A/S and Nordic Marine Oil A/S secured on the companies' unsecured claims, inventories, intellectual property rights and fixed assets. The carrying amount of the assets charged is DKK 80,171k.

The floating charge is also provided as security for bank debt in subsidiary. The debt amounts to DKK 8,460k at 31.12.2017.

The Company has guaranteed the bank debt of the group enterprise Nordic Marine Oil A/S. The debt in the group enterprise amounts to DKK 81,243k at 31.12.2017.

37 Related parties

Related parties comprice the Board of Directors, the Executive Board as well as companies in which these persons have significant interest and subsidiaries of Malik Supply A/S. The company is included in the consolidated financial statements of Abaris Holding ApS, in which Steen Møller exercises control.

Transactions:
The companies in the group have had intercompany trade with oil etc., administration fees and interests on intercompany receivables and debt. All transactions are made at market prices and therefor there are no further information on transaction amounts according to the Danish financial statements Acts § 98c, 7.

Accounting policies for the group and parent company

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises.

The accounting policies applied for these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognized in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

Accounting policies for the group and parent company

Derivative financial instruments
Derivative financial instruments are initially recognized in the balancesheet at cost and are subsequently remasured at their fair values. Positive and negative fair values of derivative financial instruments are recognized in “Other receivables” and “Other payables” respectively.

Changes of the fair value of derivative financial instruments related to commodities are recognised in the income statement presented as gross profit.

Income statement

Gross profit or loss
Gross profit or loss comprises of revenue, changes in inventories of finished goods, other operating income, and consumables and external expenses.

Revenue
Revenue from the sale of goods for resale is recognized in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity’s primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales
Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses
Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognized in current assets.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortization, depreciation and impairment losses
Amortization, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortization, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises and associates
Income from investments in group enterprises and associates comprises the pro rata share of the individual associates’ profit/loss after elimination of internal profits or losses.

Other financial income
Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions

in foreign currencies, amortization of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortization of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill
Goodwill is amortized straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortization period is seven to ten years since the goodwill relates to strategically acquired enterprises with a strong market position and a long-term earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	20 years
Ships	10-15 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognized and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortized positive, or negative, goodwill and minus or plus unrealized intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognized under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortized over its estimated useful life. The amortization period is ten years since the goodwill relates to strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates
Investments in associates are recognized and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortized positive, or negative, goodwill and minus or plus unrealized pro rata internal profits and losses.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. The amortization period is ten years, since the goodwill represents for strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realizable value.

Cost consists of purchase price plus delivery costs.

The net realizable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortized cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Minority interests
Minority interests consist of non-controlling interests share of equity in subsidiaries not 100% owned by the parent company.

Deferred tax
Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognized based on a specific assessment of the purpose of the individual subsidiary.

Accounting policies for the group and parent company

Other financial liabilities
Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable
Current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Financial highlights
Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The Financial strength of the Entity.
Equity + subordinate loan capital ratio (%)	$\frac{\text{(Equity + subordinate loan capital) x 100}}{\text{Total assets}}$	The Financial strength of the Entity.