ANNUAL REPORT 2016/17

KPI Bridge Oil A/S

VAT no. 31 37 01 83

The Annual Report was presented and adopted at the Annual General Meeting on 3 July 2017

Michael Keldsen

Chairman of the meeting: Michael Keldsen

Financial year: 1 May 2016 – 30 April 2017
Turbinevej 10, DK-5500 Middelfart

Contents

Management's Statement

The Executive and Supervisory Boards have today presented and adopted the Annual Report of KPI Bridge Oil A/S for the financial year 1 May 2016 – 30 April 2017.

The Annual Report was 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 of the Company at 30 April 2017 and of the results of Company operations and cash flows for 2016/17.

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

Middelfart, 3. July 2017

Executive Board

Kenni Goldenbeck

Supervisory Board

Keld Rosenbæk Demant
Chairman

Jesper Klokker Hansen

Kenni Goldenbeck

Independent Auditor's Report

To the Shareholders of KPI Bridge Oil A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2017, and of the results of the Company's operations and cash flows for the financial year 1 May 2016 - 30 April 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of KPI Bridge Oil A/S for the financial year 1 May 2016 - 30 April 2017, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies.

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Independent Auditor's Report

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

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

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

Independent Auditor's Report

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.

Trekantsområdet, 3. July 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant

Lasse Berg
State Authorised Public Accountant

Management’s Review

Company Information

The Company	KPI Bridge Oil A/S Turbinevej 10 DK-5500 Middelfart	
	Telephone:	+45 76 42 96 96
	Facsimile:	+45 76 42 96 90
	E-mail:	Denmark@kpibridgeoil.com
	CVR No:	31 37 01 83
	Financial year:	1 May - 30 April
	Municipality of reg. office:	Middelfart
Supervisory Board	Keld Rosenbæk Demant, Chairman Jesper Klokker Hansen Kenni Goldenbeck	
Executive Board	Kenni Goldenbeck	
Auditors	PricewaterhouseCoopers Statsaut. Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle	

Management's Review

Financial Highlights of the Company

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

	2016/17	2015/16	2014/15	2013/14	2012/13
	USD '000	USD '000	USD '000	USD '000	USD '000
Profit/loss					
Revenue	267.904	107.205	131.393	107.801	108.431
Profit/loss before financial income and expenses	(317)	426	1.498	436	1.079
Net financials	323	61	124	242	146
Profit before tax	6	487	1.622	678	1.225
Net profit/loss for the year	(3)	374	1.136	526	916
Balance sheet					
Balance sheet total	31.125	17.779	19.112	22.020	23.455
Equity	5.843	6.346	7.497	11.336	11.358
Cash flows					
Cash flows from:					
- operating activities	(4.133)	2.831	(1.239)	3.887	1.260
- investing activities	0	0	0	(25)	(6)
- hereof investment in property, plant, and equipment and intangible assets	0	0	0	(25)	(6)
- financing activities	4.013	(2.552)	2.239	(2.685)	(2.070)
Change in cash and cash equivalents for the year	(120)	279	1.000	1.177	(816)
Ratios (%)					
Gross margin	1,6%	3,0%	3,3%	2,5%	2,7%
Profit margin	-0,1%	0,4%	1,1%	0,4%	1,0%
Return on equity	0,0%	5,4%	12,1%	4,6%	8,6%
Liquidity ratio	1,21	1,47	1,52	1,84	1,67
Solvency ratio	18,8%	35,7%	39,2%	51,5%	48,4%

For definitions, see under accounting policies.

Review

Activities

The main activities of the Company comprise purchase, sale and mediation of bunkers and lubricating oil for ships as well as naturally related services.

Development in the year

KPI Bridge Oil A/S achieved revenue of USD 267,904k and a loss after tax of USD 3k. At the end of the year the equity amounted to USD 5,843k. The result was not satisfactory and was due to investments in new markets, which has not paid off yet.

KPI Bridge Oil A/S has over the last couple of years strived to be a well known bunker supplier through a very motivated and dedicated team. A strong focus on constant development of the employees and an alignment with the company strategy to offer second to none service to its partners have been an important element in developing KPI Bridge Oil A/S.

Financial risks

Foreign exchange risks
The Company hedges against commercial foreign exchange exposure on a current basis and moreover assesses the need to hedge against foreign exchange exposure of future cash flows. Hedging mainly takes place by means of forward exchange contracts. Future expected cash flows are hedged for a maximum period of the first succeeding 12 months.

Credit risks
The Company is exposed to a credit risk relating to its customers, and all customers and other business partners are credit rated regularly in accordance with the Company's policy for assuming credit risks.

Interest rate risks
The Company's interest-bearing debts are mainly based on variable interest rates, and therefore earnings are affected by any changes in the level of interest. The Company monitors and assesses on a current basis the financial consequences of the interest rate changes and makes full or partial hedging of the interest rate risk.

Review

Expectations for the year ahead

For the financial year 2017/18, Management expects the level of activity and earnings to be higher than those realised in the year just ended.

Subsequent events

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

Income Statement 1 May - 30 April

	Note	2016/17	2015/16
		USD ´000	USD ´000
Revenue	1	267.904	107.205
Direct expenses		263.724	103.954
Gross profit		**4.180**	**3.251**
Other external expenses		2.468	1.157
Staff expenses	2	2.106	1.899
Other income		895	1.053
Profit before depreciation		**501**	**1.248**
Depreciation		818	822
Profit before financial income and expenses		**(317)**	**426**
Financial income	3	521	158
Financial expenses	4	198	97
Profit before tax		**6**	**487**
Corporation tax	5	9	113
Net profit for the year		**(3)**	**374**

Balance Sheet at 30 April

Assets

	Note	2017	2016
		USD ´000	USD ´000
Goodwill		542	1.356
Intangible assets	7	**542**	**1.356**
Other fixtures and fittings, tools and equipment		10	14
Property, plant and equipment	8	**10**	**14**
Fixed assets		**552**	**1.370**
Inventory		**26**	**120**
Trade receivables		25.956	10.398
Receivables from group enterprises		3.301	2.929
Receivables from group enterprises, special-term loans		0	2.392
Other receivables		1.243	443
Prepayments	9	24	14
Receivables		**30.524**	**16.176**
Cash at bank and in hand		**23**	**113**
Current assets		**30.573**	**16.409**
Total assets		**31.125**	**17.779**

Balance Sheet at 30 April

Liabilities and equity

	Note	2017	2016
		USD ´000	USD ´000
Share capital		1.781	1.781
Retained earnings		4.062	4.065
Proposed dividend for the year		0	500
Equity	10	**5.843**	**6.346**
Deferred income tax liability		111	288
Provisions for liabilities	11	**111**	**288**
Credit institutions		52	23
Trade payables		9.072	3.614
Payables to group enterprises		12.967	6.036
Payables to group enterprises, special-term loans		2.121	0
Corporation tax		185	613
Other payables		774	859
Short-term debt		**25.171**	**11.145**
Total liabilities and equity		**31.125**	**17.779**

Distribution of profit	6
Contingent liabilities	12
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Subsequent events	14

Statement of Changes in Equity

2016/17:	Share capital	Retained earnings	Proposed dividend	Total
	USD ´000	USD ´000	USD ´000	USD ´000
Equity at 1 May	1.781	4.065	500	6.346
Net profit for the year	0	(3)	(500)	(503)
Proposed dividend	0	0	0	0
Equity at 30 April	**1.781**	**4.062**	**0**	**5.843**

2015/16:	Share capital	Retained earnings	Proposed dividend	Total
	USD ´000	USD ´000	USD ´000	USD ´000
Equity at 1 May	1.781	4.216	1.500	7.497
Net profit for the year	0	374	(1.500)	(1.126)
Fair value adjustment of derivative financial instruments	0	(25)	0	(25)
Proposed dividend	0	(500)	500	0
Equity at 30 April	**1.781**	**4.065**	**500**	**6.346**

Cash Flow Statement 1 May - 30 April

	2016/17	2015/16
	USD ´000	USD ´000
Profit for the year before tax	6	487
Depreciation for the year	818	822
Changes in inventory	93	(120)
Changes in receivables	(16.740)	1.787
Changes in trade payables, other payables, etc	12.303	(133)
Other adjustments	0	(13)
Cash flows from ordinary activities	(3.520)	2.831
Corporation tax paid	(613)	0
Cash flows from operating activities	**(4.133)**	**2.831**
Purchase of property, plant and equipment	0	0
Cash flows from investing activities	**0**	**0**
Changes in special-term loans	4.513	(1.052)
Dividend paid	(500)	(1.500)
Cash flows from financing activities	**4.013**	**(2.552)**
Change in cash and cash equivalents	**(120)**	**279**
Cash and cash equivalents at 1 May	91	(188)
Cash and cash equivalents at 30 April	**(29)**	**91**

Notes to the Annual Report

1 Segment information

The Company's activities are considered one segment.

2 Staff expenses

	2016/17	2015/16
	USD ´000	USD ´000
Wages and salaries	2.031	1.824
Pensions	66	65
Other social security expenses	9	10
	2.106	**1.899**

With reference to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Supervisory and Executive Boards has not been disclosed.

Average number of employees	**11**	**12**

3 Financial income

Hereof intercompany interest income	**39**	**48**

4 Financial expenses

Hereof intercompany interest expenses	**58**	**58**

Notes to the Annual Report

5	**Corporation tax**	2016/17	2015/16
		USD ´000	USD ´000
	Current tax for the year	185	290
	Adjustment of tax previous years	0	(1)
	Change of deferred tax	(176)	(176)
		9	**113**
	which is broken down as follows:		
	Tax on the profit for the year	185	295
	Change of deferred tax	(176)	(176)
	Adjustment of tax previous years	(0)	(1)
	Tax on equity movements	0	(5)
		9	**113**

6 Distribution of profit

Proposed distribution of profit

Proposed dividend	0	500
Retained earnings	(3)	(126)
	(3)	**374**

Notes to the Annual Report

7 **Intangible assets**	Goodwill USD ´000
Cost at 1 May	7.473
Additions for the year	0
Disposals for the year	0
Cost at 30 April	7.473
Depreciation at 1 May	6.117
Depreciation for the year	814
Reversed depreciation on disposals for the year	0
Depreciation at 30 April	6.931
Carrying amount at 30 April	**542**

8 **Property, plant and equipment**	Other fixtures and fittings, tools and equipment USD ´000
Cost at 1 May	317
Additions for the year	0
Disposals for the year	0
Cost at 30 April	317
Depreciation at 1 May	303
Depreciation for the year	4
Reversed depreciation on disposals for the year	0
Depreciation at 30 April	307
Carrying amount at 30 April	**10**

9 Prepayments

Prepayments comprise prepaid expenses relating to rent, fees, subscriptions, etc.

Notes to the Annual Report

10 Equity

The share capital consists of 100,000 shares of DKK 100 (equivalent to USD 17.8) at the historical exchange rate of 5.6141 to USD 1,781k.

11 Deferred tax	2017 USD ´000	2016 USD ´000
Deferred tax at 1 May	288	464
Adjustment of tax rate	0	0
Change for the year	(176)	(176)
Exchange adjustment	0	0
Deferred tax at 30 April	**111**	**288**

Deferred tax relates to goodwill, software and equipment.

12 Contingent liabilities

KPI Bridge Oil A/S is an obligor in respect of the bank loans of the group companies. As at 30 April 2017, these obligations were limited to USD 7,964K, which is equal to KPI Bridge Oil A/S equity and KPI Bridge Oil A/S intra-group liability to Bunker Holding A/S as at 30 April 2017.

In the event that these obligations in respect of the bank loans of the group companies materialize, Bunker Holding A/S will cancel any claim it may have against KPI Bridge Oil A/S in an amount equaling the part of the obligations which relate to KPI Bridge Oil A/S intra-group liability to Bunker Holding A/S

The Danish group enterprises are jointly and severally liable for tax on the consolidated jointly taxed income etc. The total corporation tax payable is shown in the Annual Report of Selfinvest ApS, which is the management company of the joint taxation. The Danish group enterprises are moreover jointly and severally liable for Danish withholding taxes. Any subsequent adjustments of corporation tax and withholding taxes may imply that the Company is liable for a higher amount.

Notes to the Annual Report

12 Contingent liabilities (continued)

	2017	2016
	USD ´000	USD ´000
Operating lease obligations		
Within one year	133	140
between one and five years	136	144
After five years	102	151
Total lease	**371**	**434**
Hereof group enterprises	283	343
Guarantees		
Payment guarantees, through bank	8	8
Total Guarantees	**8**	**8**

13 Related parties

Related parties comprise the Supervisory Board, the Executive Board and senior executives in the group enterprises as well as companies in which these persons have significant interests.

With reference to section 98 C(7) of the Danish Financial Statements Act, related party transactions details are not disclosed

The Company is included in the Consolidated Financial Statements of the immediate Parent Company, Bunker Holding A/S

Controlling interest is exercised through the Company's immediate Parent Company, Bunker Holding A/S. The Company's ultimate Parent Company which prepares Consolidated Financial Statements is Selfinvest ApS, in which Torben Østergaard-Nielsen, CEO, exercises control.

14 Subsequent events

No significant events affecting the assessment of the Annual report have occured after the balance sheet date.

Accounting Policies

Basis of Preparation

The Annual Report of KPI Bridge Oil A/S for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C.

The Annual Report for 2016/17 is presented in USD 1,000.

The accounting policies applied remain unchanged from the previous years.

Recognition and measurement
The Financial Statements have been prepared based on the historic cost principle.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account profits, losses and risks occurring before the presentation of the Annual Report which relate to affairs and conditions existing at the balance sheet date.

US dollar is used as the measurement currency. All other currencies are regarded as foreign currencies.

Accounting Policies

Presentation currency
The Financial Statements for 2016/17 have been presented in USD. At 30 April 2017 the year-end exchange rate for USD/DKK was 6.81. The comparative figures are translated at the historical year-end exchange rate which as of 30 April 2016 was USD/DKK 6.53.

Translation policies
Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses 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.

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 recognised in "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, see below.

Hedge accounting
Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Segment information
Segment information on activities is presented.

Accounting Policies

Income Statement

Revenue

Revenue comprises the sale of goods and services and is recognised based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Revenue also includes income from the sale of financial derivatives in respect of crude oil and oil-related products at the time when the contract is concluded.

Direct expenses

Direct expenses include expenses for the purchase of goods for resale.

Other external expenses

Other external expenses include expenses for sales, administration as well as the running of office facilities, etc.

Staff expenses

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

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and adjustment of deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Accounting Policies

Balance Sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortisation calculated on a straight-line basis over the expected useful lives of the assets.

The period of amortisation of goodwill is longest for enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Amortisation based on cost is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Goodwill	10 years
Software	max. 3 years

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and 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.

Interest paid on loans raised for indirect or direct financing or production of property, plant and equipment is recognised in the income statement.

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

Other fixtures and fittings, tools and equipment 3-6 years

Gains and losses on sale of property, plant and equipment are recognised in the income statement under Other operating income and Other external expenses, respectively.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

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.

Accounting Policies

Inventory
Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost price of inventories whose fair value is effectively hedged from derivative financial instruments is adjusted for the change in fair value attributable to the hedged risk.

The cost of goods for resale, raw materials and consumables equals landed cost.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments
Prepayments under assets comprise prepaid expenses.

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

Provisions
Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities
Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Accounting Policies

Current tax receivables and liabilities
Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year and adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts
Fixed-interest loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

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 intangible assets, property, plant and 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 short- and long-term debt as well as payments to and from shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise the items "Cash at bank and in hand" and "Securities" under current assets as well as "Credit institutions" under short-term debt.

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

Accounting Policies

Definition of financial ratios

Gross margin	=	Gross profit x 100 / Revenue
Profit margin	=	Profit before financials x 100 / Revenue
Return on equity	=	Net profit for the year x 100 / Average equity
Liquidity ratio	=	Current assets / Short-term debt
Solvency ratio	=	Equity at year end x 100 / Total assets