Global Risk Management

Investment Firm

Annual Report 2017/18

A/S Global Risk Management Ltd. Fondsmæglerselskab
Strandvejen 7, DK-5500 Middelfart, Denmark
VAT no. 39065606
FSA no. 8325

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 27 June 2018

Global
Risk Management | customised hedging of your fuel price risk
Investment Firm

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Management's Review

Company Facts

The Company	A/S Global Risk Management Ltd. Fondsmæglerselskab Strandvejen 7 DK-5500 Middelfart Telephone: +45 8838 0000 Facsimile: +45 8838 0009 E-mail: hedging@global-riskmanagement.com VAT No: 39065606 Financial year: 1 May - 30 April Municipality of reg. office: Middelfart
Board of Directors	Keld Rosenbæk Demant, Chairman of the Board Jacob Bro Eriksen, Board Member Kaj Damgaard, Board Member Jesper Klokker Hansen, Board Member
Executive Management	Hans Erik Christensen, Chief Executive Officer
Other Significant Risk Takers	Niels Hyldegaard Kristensen, Chief Financial Officer Morten Rudebeck Henriksen, Sales Director
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Management's Review

Company Introduction

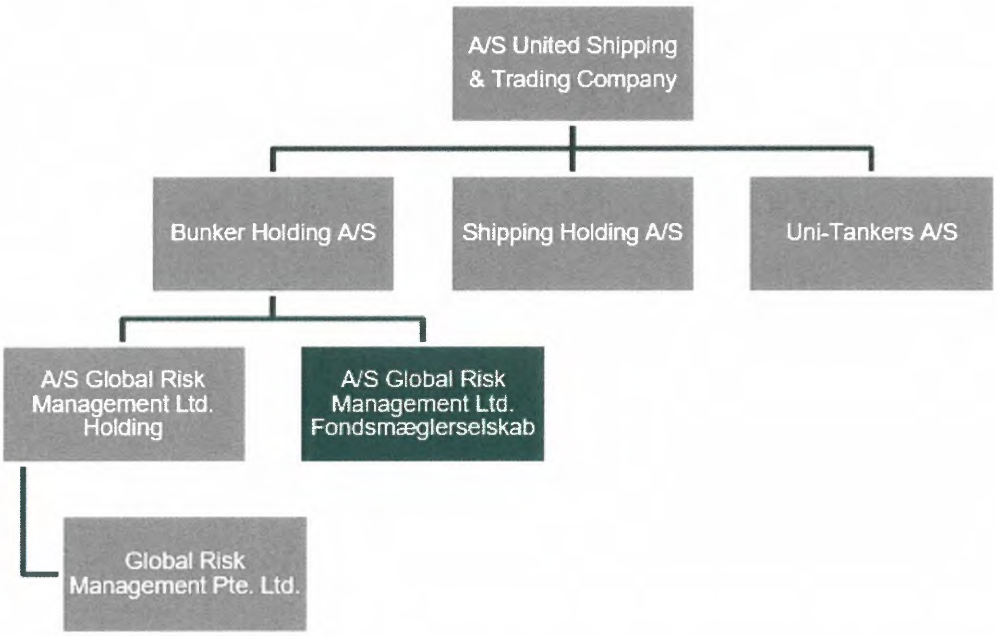
With the implementation of the MiFID II regulatory regime as of 3 January 2018 a substantial part of the activity of *A/S Global Risk Management Ltd.* fell under license requirement by the Danish Financial Supervisory Authority (in Danish "Finanstilsynet").

The implicated activities, namely trading on own account in OTC commodity derivatives with clients in the European Union, have been novated to the licensed investment firm *A/S Global Risk Management Ltd. Fondsmæglerselskab* as of 3 January 2018.

From an accounting perspective the transfer of activities has been made with retrospective effect from 1 May 2017 thus making it possible to produce this full year Financial Statement for the financial year ended on 30 April 2018. The comparable numbers for financial year 2016/17 are prepared as if the split of the activities of A/S Global Risk Management Ltd. had taken place on 1 May 2016.

Hereafter A/S Global Risk Management Ltd. Fondsmæglerselskab will be referred to as "GRM".

A/S Global Risk Management Ltd. changed its name following the novation of the regulated activity and is hereafter referred to by the new name A/S Global Risk Management Ltd. Holding.



GRM is a fully owned subsidiary of Bunker Holding A/S and the commercial focus remains on enabling clients to manage their fuel price exposure and associated liquidity risk by giving access to bilateral trading and margin funding in relevant derivative instruments. Furthermore, we seek to enhance the clients' knowledge through general advice and market info.

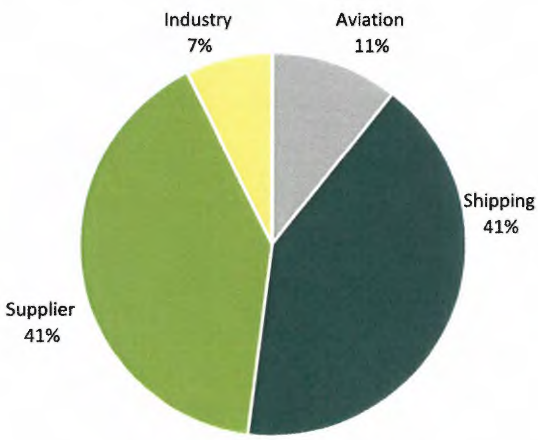
Management's Review

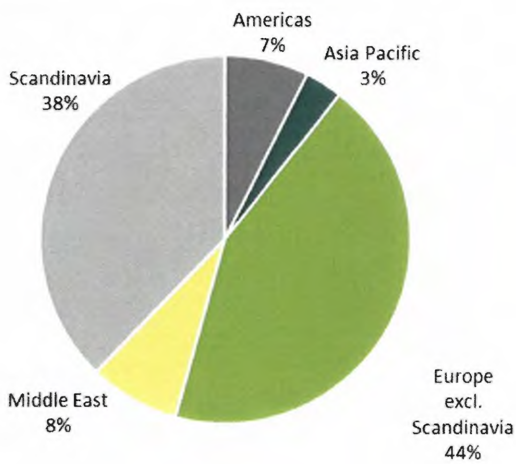
Client Base

GRM offers its services to corporate clients who are exposed to fluctuations in fuel prices and wish to hedge those exposures to secure their budgets. The clients are grouped into the client industries Shipping, Supplier, Aviation and Industry. Over the past couple of years focus has been on securing a diversification across the 4 client industries and to secure a balance between the natural buyers of fuel (Shipping, Aviation and Industry) and the natural sellers (Suppliers). The current diversification can be seen from the chart below.

The geographical focus remains to a large extent that of Scandinavia and North-West Europe, however, strategic initiatives to increase the general European presence have been initiated. Niche geographical areas are also served. Distribution of clients across geography is displayed in the chart below.

Client distribution across client industries and geography as of 30 April 2018:





Knowledge Management

GRM differentiates itself from its competitors by offering superior service and advice which enable the clients to identify the hedging strategy that is best tailored to their business characteristics and risk appetite.

In order to offer such service GRM is dependent on being able to attract and keep highly motivated and experienced employees with specialist competencies within derivatives trading and risk management.

GRM strives to be an attractive workplace by offering a good working environment, by having a focus on personal development and by offering attractive remuneration packages that emphasise the individual and team performance.

GRM has entered into split-contracts with its employees together with A/S Global Risk Management Ltd. Holding to continue the novated activities most efficiently. As of 30 April 2018, a total of 24 employees are hired on these split contracts which is currently equivalent to 16 full-time employees.

Management's Review

Remuneration Policy

The Board of Directors reviews and approves the remuneration policy annually. The policy can be accessed through the company website: https://www.global-riskmanagement.com/about-us/policies/remuneration-policy. With reference to the size of the company the Board of Directors has chosen not to establish a formal remuneration committee.

Remuneration to the Board of Directors, Executive Management and Other Risk Takers are set out in note 5.

Research & Development Activities

GRM has not initiated any larger and independent R&D projects or IT developments over the course of the financial year 2017/18. However, GRM has licensed software applications that are under ongoing development in other Bunker Holding A/S entities and from these developments GRM will benefit indirectly.

Highlights of 2017/18

The financial year 2017/18 has been a year of full focus on the adoption of the MiFID II legislative requirements and getting the necessary licensing from the Danish Financial Supervisory Authority in place.

At the same time, it has been our ambition to consolidate the trading activity and the client portfolio at the historically high levels achieved in 2016/17. With an increase in traded volumes and a net trading income identical to last year's record this ambition has been fulfilled which is satisfactory and gives GRM the best possible foundation for further growth and new strategic initiatives.

Given the extensive preparations leading up to the MiFID II implementation and the costs associated with the establishment of the investment firm a net result of 5.1 M USD versus last year's result of 5.8 M USD is also viewed as being satisfactory.

In the financial year of 2017/18 GRM achieved a:

- net trading income of 11.6 M USD versus 11.6 M USD in 2016/2017
- result before tax of 6.6 M USD versus 7.4 M USD in 2016/2017
- net result of 5.1 M USD versus 5.8 M USD in 2016/2017
- year-end equity of 34.5 M USD and a return on equity after tax of 17.2 %
- year-end capital surplus of 21 M USD compared to the regulatory capital requirement and a 14 M USD surplus compared to the individual solvency requirement

and:

- received a license to operate as an investment firm (*fondsmæglerselskab*)
- welcomed more than 25 new clients
- increased the traded volumes and consolidated the net trading income at record levels
- initiated a new strategy for further expansion of the client base within the EU region

Management's Review

Financial Review

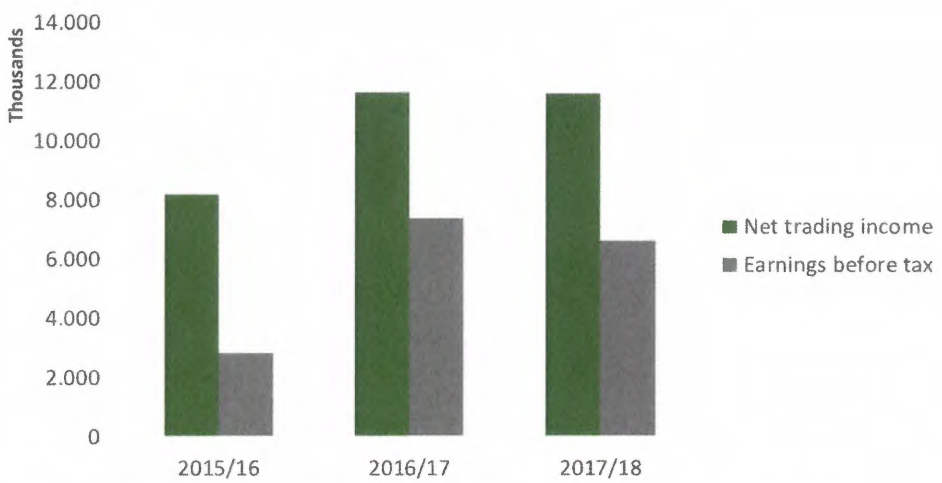
A/S Global Risk Management Ltd. Fondsmæglerselskab achieved a result before tax of 6.6 M USD in the financial year 2017/18 versus 7.4 M USD in the financial year 2016/17. The net result amounted to 5.1 M USD versus 5.8 M USD in the previous year.

The net trading income reached 11.6 M USD which is the same record level as achieved for the first time in the financial year 2016/17. The net trading income is realised through a continued expansion of the client base and an increase in traded volume. However, decreasing margins left the net trading income at the same net level. The decrease in margins is mainly driven by trading patterns for different client industries adjusting to changed market conditions where 2017/18 brought with it continued increases in spot fuel prices while forward curves went into backwardation (a downward slope of the forward curve).

Net interest reached 156 t USD which is 300 t USD lower compared to the previous financial year. The decrease in net interest is mainly related to an increase in interest costs associated with a conversion of a majority of the funding base into long term committed funding.

Staff cost reached 3.3 M USD which is an increase of 0.2 M USD compared to the previous financial year. The increase is mainly driven by a small increase in the number of employees.

Other administrative expenses reached 1.9 M USD which is an increase of 0.25 M USD compared to the previous financial year. The increase is related to costs associated with the preparations for MiFID II and the novation of regulated activities to the investment firm.



Historic results in TUSD. Results from 2015/16 and 2016/17 are derived from A/S Global Risk Management Ltd. and represent the activity that under MiFID II would have been performed by the investment firm GRM.

Management's Review

Given the ability to continue the expansion of the client base and uphold the net trading income in a year with more difficult market conditions and large structural changes to the organisation following establishment of the investment firm the result of the year is viewed as satisfactory.

Risks and Uncertainty Associated with the Value Assessment and Recognition Thereof

Minor uncertainty can be present in the value assessment of the unrealised financial derivatives categorised as level 2 and level 3 in the fair value hierarchy as they are traded OTC (Over The Counter). For these instruments forward curves must be derived through market observations, available market data and by use of spreads to other directly observable instruments. To minimise the uncertainty associated with the value assessment of these instruments forward curves used are continuously tested against independent third parties providing market data and against other market makers with whom GRM is trading said instruments.

However, as most of the transactions are traded on a back-to-back basis any uncertainty remaining after our validations and controlling will be only minor as a gain or loss associated with the value assessment will be almost entirely offset by the opposing loss or gain on the hedging transaction as can also be seen from note 9.

No other uncertainty or event that could potentially affect the value assessment and recognition thereof have occurred over the course of the financial year.

Solvency and Capital Ratio

The capital base of GRM reached 34.5 M USD as of 30 April 2018 and represents an increase of 9.3 M USD since 30 April 2017. The increase is comprised of capital additions of 4.2 M USD and net profit of the year of 5.1 M USD.

The risk weighted assets reached 167.5 M USD which gives a capital ratio of 20.6 %.

The risk weighted assets totalling 167.5 M USD are comprised of

- 143 M USD related to credit risk
- 8.5 M USD related to market risk
- 16 M USD related to operational risk

The capital ratio of 20.6 % is well above the regulatory capital requirement of 8 % and the individual solvency requirement of 12.5 %.

Risks and Risk Management

When providing the services of trading in financial commodity derivatives and margin financing to clients GRM exposes itself to different risks such as credit, market, liquidity and operational risks that are quantified and monitored on an ongoing basis to ensure stable long- term profitable growth.

The appetite towards the different risks are determined by the Board of Directors and is accompanied by clear mandates to management as well as individual policies for the risk areas stating the principles

Management's Review

for identification, management and reporting of the risks to the Board of Directors. A policy for the prevention of conflict of interest has also been adopted to ensure proper organisational design and independent monitoring and reporting.

Management has put in place operating procedures that support and implement the risk policies into the ongoing business management and the procedures are designed to ensure the necessary segregation of duties and eliminate any potential conflict of interest that could have adverse effect on the quality of the risk management.

As the market volatility on fuel and other oil related commodities is very high compared to most other asset classes the Board of Directors has issued a conservative approach to market related risks as can be seen from the quantification of the risk weighted assets. The main risk is thus counterparty credit risk.

For more detailed description of the risks please see note 13.

Distribution of Profits

The Board of Directors proposes, for approval at the General Assembly, that the full profit of the year is kept as retained earnings and included in the equity and that no dividend is paid to the shareholders.

Expectations for the Financial Year 2018/19

The net result for the financial year 2018/19 is expected to be at comparable levels to the result achieved in 2017/18 and to be within the range of 5.0 to 5.5. M USD.

Some degree of uncertainty is associated with the expectations as margins and the traded volumes can be influenced by changes in oil price levels and the shape of the forward curve. Historically GRM has been able to grow the client portfolio sufficiently to counter these periodic effects on the net trading income. With the implementation of new strategic initiatives in 2018/19 it is expected that the net trading income will increase moderately as a result thereof.

The net interest is expected to decrease by 0.2 to 0.3 M USD in 2018/19 as higher funding costs associated with committed funding will have full effect over the entire financial year.

Total operating costs are expected to remain at the same levels as realised in 2017/18. One-off costs associated with the establishment of the investment firm will no longer have effect however, staff costs are expected to grow slightly as a higher average number of employees is expected to be employed over the course of the coming financial year.

Events after 30 April 2018

No event that could potentially affect the assessment and valuation of this Annual Report has occurred after 30 April 2018 and up until the adoption of this report.

Management's Review

Management and Directorships

Board of Directors

Keld Rosenbæk Demant, Chairman of the Board

Directorships
- Chairman of the Board at A/S Global Risk Management Ltd. Fondsmæglerselskab
- Chairman of the Board/Board Member in 20 companies within the United Shipping & Trading Company group
- Chairman of the Board at Strib Idrætsefterskole
- Board Member at Komplementarselskabet Whitewater Invest VII ApS
- Board Member at Trade Point A/S, Direct Container

Chief Executive Officer
- Bunker Holding A/S

Executive Officer
- Executive Officer in 2 companies within the United Shipping & Trading Company group
- BK Demant Management ApS

Jacob Bro Eriksen, Board Member

Directorships
- Board Member at A/S Global Risk Management Ltd. Fondsmæglerselskab
- Chairman of the Board at Uniconta A/S
- Chairman of the Board at Fondsmæglerselskab Petersen & Partners Investment Management A/S
- Board Member at Bawat A/S
- Board Member at Firstaiders A/S
- Board Member at Blue Ocean Robotics Holding ApS

Chief Executive Officer
- Omni Advice 1987 ApS
- Omni Transaction 2017 ApS
- Omni Elearning 2017 ApS

Executive Officer
- Omni Group 2000 ApS

Management's Review

Kaj Damgaard, Board Member

Directorships
- Board Member at A/S Global Risk Management Ltd. Fondsmæglerselskab
- Chairman of the Board at Vestjylland Forsikring GS
- Chairman of the Board at Ven-To ApS

Executive Officer
- KD Management v/Kaj Damgaard

Jesper Klokker Hansen, Board Member

Directorships
- Board Member at A/S Global Risk Management Ltd. Fondsmæglerselskab
- Board Member in 20 companies within the United Shipping & Trading Company group
- Board Member at TogT Ejendomsudvikling A/S
- Board Member at TOGT Odense A/S
- Board Member at FJ Industries A/S
- Board Member at Rederiaktieselskabet Nyborg

Executive Officer
- Bunker Holding A/S
- Executive Officer in 2 other companies within the United Shipping & Trading Company group

Executive Management

Hans Erik Christensen, Chief Executive Officer

Directorships
- Board Member at A/S Global Risk Management Ltd. Holding
- Board Member at Global Risk Management Pte. Ltd.

Chief Executive Officer
- A/S Global Risk Management Ltd. Fondsmæglerselskab
- A/S Global Risk Management Ltd. Holding

Financial Statements

Income Statement

1 MAY - 30 APRIL

USD ´000	**Note**	**2017/18**	**2016/17**
Interest income	2	1.077	853
Interest expenses	3	-921	-398
Net interest income		**156**	**455**
Net trading income	4	11,613	11,630
Staff and administrative expenses	5	-5,147	-4,654
Result before tax		**6,622**	**7,431**
Corporation tax	6	-1,492	-1,642
Net result		**5,130**	**5,789**
Proposed distribution of profit			
Retained earnings		5,130	5,789
Other comprehensive income			
Net result		5,130	5,789
Total comprehensive income		**5,130**	**5,789**

Financial Statements

Balance Sheet

Assets

USD ´000	Note	2018	2017
Receivables with credit institutes	7	74,727	24,839
Lending and other receivables at amortised cost	8	0	1,565
Derivatives and financial instruments	9	51,775	24,155
Prepayments		118	0
Total assets		**126,620**	**50,559**

Financial Statements

Balance Sheet

Liabilities and Equity

USD '000	**Note**	**2018**	**2017**
Debt			
Payables to credit institutes	10	0	29
Deposits and other debt	11	490	285
Current tax liabilities	6	1,492	0
Derivatives and financial instruments	9	88,969	24,527
Other liabilities		1,136	498
Total debt		**92,087**	**25,339**
Equity			
Share capital	12	1,001	137
Share premium		28,403	25,083
Result for the year		5,130	0
Total equity		**34,534**	**25,220**
Total liabilities and equity		**126,620**	**50,559**
Financial risk	13		
Security and contingent liabilities	14		
Related parties	15		
Fee to auditors appointed at the general meeting	16		
Accounting policies	17		

Financial Statements

Statement of Changes in Equity

USD '000 — *2017/18*

	Share capital	Capital premium	Retained earnings	Total
Equity at 1 May	137	25,083	0	25,220
Capital addition	864	3,320	0	4,184
Net profit for the year	0	0	5,130	5,130
Equity at 30 April	**1,001**	**28,403**	**5,130**	**34,534**

USD '000 — *2016/17*

	Share capital	Capital premium	Retained earnings	Total
Equity at 1 May	137	19,293	0	19,430
Net profit for the year	0	0	5,789	5,789
Transfer to capital premium	0	5,789	-5,789	0
Equity at 30 April	**137**	**25,083**	**0**	**25,220**

Notes to the Financial Statement

1 *FINANCIAL HIGHLIGHTS OF THE COMPANY*

USD ´000	**2017/18**	**2016/17**
Net interest income	156	455
Net trading income	11,613	11,630
Staff and administration expenses	-5,147	-4,654
Net result	5,130	5,789
Equity	34,534	25,220
Total assets	126,620	50,559
Own funds	34,534	-
Minimum capital requirement	13,398	-
Total risk exposure amount	167,480	-

Financial ratios

Per cent	**2017/18**	**2016/17***
Own funds as a percentage of minimum capital requirements	257.7 %	-
Solvency ratio	20.6 %	-
Tier 1 capital ratio	20.6 %	-
Return on equity before tax	22.2 %	-
Return on equity after tax	17.2 %	-
Income/cost ratio	225.6 %	249.9 %

The financial ratios are in accordance with the guidelines of the Danish Financial Supervisory Authority, Finanstilsynet.

** With the Company being licensed as an investment firm by the Danish FSA on 3 January **2018 certain** ratios and key figures are not available for the financial year 2016/17.*

Notes to the Financial Statement

1 *FINANCIAL HIGHLIGHTS OF THE COMPANY (CONTINUED)*

Capital requirements and capital surplus

	2017/18	**2016/17***
Initial capital requirement, EUR'000	730	-
Own funds as a percentage of initial capital (EUR/USD 120,79)	3916 %	-
25 % of last year's expenses	1,164	-
Own funds as a percentage of 25 % of last year's expenses	2968 %	-
Individual determined capital requirement**	20,863	-
Own funds as a percentage of individual capital** requirement	166 %	-

** With the Company being licensed as an investment firm by the Danish FSA on 3 January 2018 certain ratios and key figures are not available for the financial year 2016/17.*

*** Individual determined capital requirement and own funds as a percentage of individual capital requirements are in accordance with generally accepted practice not comprised by the audit of the Financial Statements.*

Notes to the Financial Statement

2 *INTEREST INCOME*

USD ´000	**2017/18**	**2016/17**
Receivables with credit institutes	941	831
Lending and other receivables	136	22
Total interest income	**1,077**	**853**

3 *INTEREST EXPENSES*

USD ´000	**2017/18**	**2016/17**
Credit institutions	-331	-124
Loan and other debt	-147	-36
Other interest expenses	-443	-238
Total interest expenses	**-921**	**-398**

4 *NET TRADING INCOME*

USD ´000	**2017/18**	**2016/17**
Currency, interest rate, commodity and other contracts and other derivatives	11,613	11,630
Total net trading income	**11,613**	**11,630**

Notes to the Financial Statement

5 *STAFF AND ADMINISTRATIVE EXPENSES*

USD '000	**2017/18**	**2016/17**
Wages and salaries	3,140	2,965
Pensions	133	102
Other social security expenses	17	12
Total staff expenses	**3,290**	**3,079**
Other administrative expenses	1,857	1,618
Total staff and administrative expenses	**5,147**	**4,698**
Average number of employees	**15**	**14**

A/S Global Risk Management Ltd. Fondsmæglerselskab and A/S Global Risk Management Ltd. Holding are joint employers of management and employees of A/S Global Risk Management Ltd. Fondsmæglerselskab.

The average number of employees are adjusted to reflect the current distribution of resources and time between the two companies.

Remuneration

USD '000	**2017/18****	**2016/17***
Remuneration of Board of Directors (from 3 January 2018)		
Fixed	41	-
thereof pension	*0*	-
Variable	0	-
Remuneration of executive management (from 3 January 2018)		
Fixed	141	-
thereof pension	*9*	-
Variable	57	-
Remuneration of executive management (full financial year)		
Fixed	247	-
thereof pension	*16*	-
Variable	349	-

Notes to the Financial Statement

5 STAFF AND ADMINISTRATIVE EXPENSES (CONTINUED)

Remuneration (continued)

USD ´000	**2017/18****	**2016/17***
Remuneration of other significant risk takers (from 3 January 2018)		
Fixed	225	-
thereof pension	*15*	
Variable	111	-
Remuneration of other significant risk takers (full financial year)		
Fixed	343	-
thereof pension	*29*	-
Variable	399	-
Number of board members	4	-
Number of management members	1	-
Number of other risk takers	2	-

** With the Company being licensed as an investment firm by the Danish FSA on 3 January 2018 information on remuneration are not available for the financial year 2016/17.*

*** The policy for pay and remuneration limiting the use of variable remuneration has been adhered to since 3 January 2018.*

Notes to the Financial Statement

5 STAFF AND ADMINISTRATIVE EXPENSES (CONTINUED)

Salaries and other remuneration, A/S Global Risk Management Ltd. Fondsmæglerselskab

USD ´000	**2017/18**	**2016/17**
Board of Directors		
Keld Rosenbæk Demant, Chairman of the board	10	-
Jakob Bro Eriksen, Board member	10	-
Kaj Damgaard, Board member	10	-
Jesper Klokker Hansen, Board member	10	-
Managing Director		
Hans Erik Christensen	596	-
total remuneration from Group, incl. vehicle expenses	*889*	-

Information regarding incentive programs

The Board of Directors has approved an incentive program for the executive management and other significant risk takers. The value of the incentive program is dependent on the financial performance (EBT) of the company inclusive of risks over an extended period of time. The value of the incentive program for the year 2017/18 constitute the number listed under variable remuneration for the relevant groups. The Board of directors are not included in the incentive program.

Notes to the Financial Statement

7 *RECEIVABLES FROM CREDIT INSTITUTES*

USD ´000	**2017/18**	**2016/17**
Deposits with payment on demand	74,727	24,839
Total receivables from credit institutes	**74,727**	**24,839**

8 *LENDING AND OTHER RECEIVABLES AT AMORTISED COST*

USD ´000	**2017/18**	**2016/17**
Receivables at amortised cost with payment on demand	-	1,565
Total lending and other receivables at amortised cost	**-**	**1,565**

Notes to the Financial Statement

9 *DERIVATIVES AND FINANCIAL INSTRUMENTS*

USD'000	**2017/18**	**2017/18**	**2016/17**	**2016/17**
	Assets	Liabilities	Assets	Liabilities
Oil and currency				
Commodity swaps	134,292	-123,298	38,211	-35,250
Commodity futures	34,880	-31,269	14,282	-14,561
Forwards	1,675	-4,712	4,614	-814
Commodity options	5,941	-5,127	5,611	-3,714
Settled financial instruments	7,290	-9,557	3,184	-2,999
	184,078	-173,963	65,901	-57,338
Balances qualifying for offsetting				
Commodity swaps, -futures and -options	-70,075	70,075	-30,972	30,972
	114,003	-103,888	34,929	-26,366
Margin deposits	-62,228	14,918	-10,774	1,839
Amounts presented in the balance sheet	**51,775**	**-88,969**	**24,155**	**-24,527**
Amounts with right of set-off	-12,236	12,236	-7,597	7,597
Net exposure in case of default	**39,539**	**-76,733**	**16,558**	**-16,930**

A/S Global Risk Management Ltd. Fondsmæglerselskab has a master netting agreement with all clients and counterparties and obtains and provides collateral in excess of agreed credit limits. In the balance sheet, derivative assets and liabilities and related collateral with the same counterparty is presented net to the extent that the amounts will be settled net.

Notes to the Financial Statement

9 *DERIVATIVES AND FINANCIAL INSTRUMENTS - FAIR VALUE HIERARCHY*

Fair value hierarchy - financial instruments measured at fair value. Financial instruments measured at fair value comprise only derivatives and can be divided into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). To a large extent level 2 is based on observable quoted prices, however, in some instances forward prices are not observable. In these situations, the most liquid forward curves are used and a spread to the specific location is derived. For options theoretical pricing models with implied volatilities from Ice (option smile) are used to calculate market prices. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to calculate the fair value of an instrument are observable, the instrument is included in Level 2;

Level 3 – Inputs for the asset or liability that are primarily based on unobservable market data.

USD'000	**Level 1**	**Level 2**	**Level 3**	**Total**
2017/18				
Financial assets				
Derivatives	42,171	141,907	-	184,078
Total	42,171	141,907	-	**184,078**
Financial liabilities				
Derivatives	-40,825	-133,138	-	-173,963
Total	-40,825	-133,138	-	**-173,963**
2016/17				
Financial assets				
Derivatives	17,466	48,435	-	65,901
Total	17,466	48,435	-	65,901
Financial liabilities				
Derivatives	-17,560	-39,778	-	-57,338
Total	-17,560	-39,778	-	-57,338

Notes to the Financial Statement

10 *PAYABLES TO CREDIT INSTITUTES*

USD ´000	**2017/18**	**2016/17**
Overdraft facility	-	29
Total payables from credit institutes	**-**	**29**

11 *DEPOSITS AND OTHER DEBT*

USD ´000	**2017/18**	**2016/17**
Overdraft facility	490	285
Total deposits and other debt	**490**	**285**

12 *EQUITY*

The share capital consists of 8,581 shares of EUR 100.

The share capital was converted at historical weighted average price USD/EUR of 116.63 equal to USD 1,000,622.

Notes to the Financial Statement

13 FINANCIAL RISK

Counterparty risk

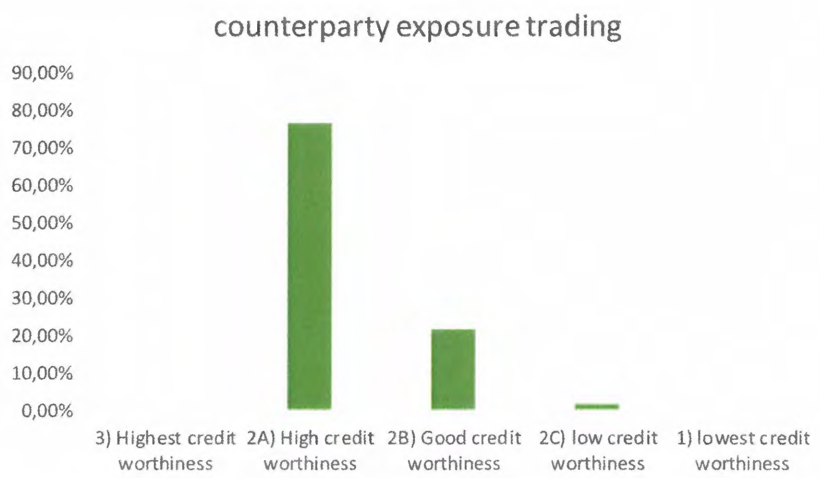
GRM is exposed to counterparty risk in the sense that if a client (or financial counterparty) defaults, then GRM cannot expect to receive payment on any positive market value that might be in GRM's favour as of the time of default. In the same way GRM is exposed if a bank holding GRM deposits defaults.

In order to manage the counterparty risk, the credit risk policy issues limitations on large exposures, concentration risk and the desired credit quality of counterparties on which an exposure is acquired. The Board of Directors also approves the list of banks with which GRM can deposit funds. An individual limit for the total deposit per bank is also set in order to ensure a diversified placement of the funds.

As the market value of the derivatives traded can quickly change, all trading is based on ISDA or ISDA equivalent master agreements and credit support agreements. When market values exceed the agreed limits cash collateral are immediately exchanged between the parties, thus ensuring that the exposure is kept within the agreed limits. If collateral is not delivered timely then positions can be terminated to prevent further negative development in the market values and the exposure between the parties.

To ensure alignment with the credit policy formal and stringent rating and credit approval procedures are in place and monitoring and reporting of the counterparty risk is continuously available for the management team. The risk mandate to accept credit exposures lies solely with the management team and the Board of Directors.

Counterparty risk per rating class as of 30 April 2018:



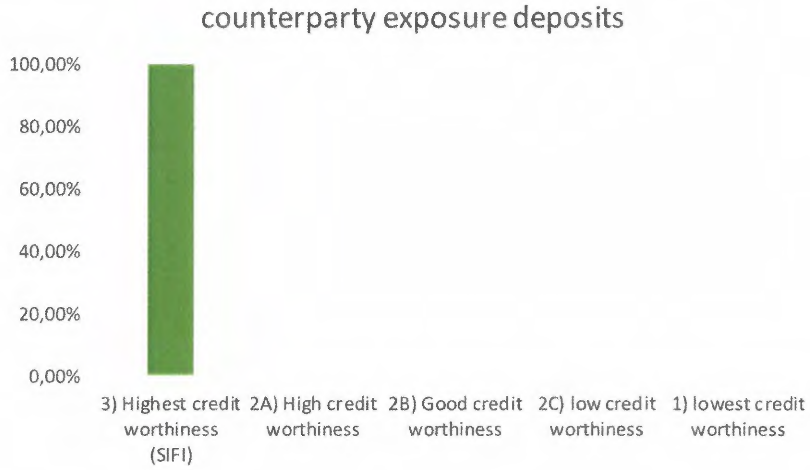
Notes to the Financial Statement

13 FINANCIAL RISK (CONTINUED)

The distribution of the current risk exposure across rating classes can be seen from the graph above and it shows that trading lines and tenor is matched with the credit quality ensuring that the exposure is mainly with the most creditworthy industries.

Deposits are primarily held with reputable banks with a SIFI classification.

Counterparty risk (on deposited funds) per rating class as of 30 April 2018:



Market Risk

Financial Derivatives:

GRM can potentially be exposed to market risk from several sources, however, in general GRM has a very risk averse attitude towards market risk due to the high volatility and notoriously unpredictable market movements in the price of oil and oil related commodities. As a result, GRM enters into opposite hedging transactions to mitigate the risks acquired from the transactions made with clients.

For transactions where it for various reasons is not possible or commercially viable to perfectly hedge a position or hedge with the same commodity GRM will be exposed to some degree of market risk.

The market risk from financial derivatives can take the form of:

- Outright position risk
- Various types of basis risk/settlement risk

Notes to the Financial Statement

13 FINANCIAL RISK (CONTINUED)

To control the market risk, position monitoring is conducted continuously and online system integration with financial counterparties are improved to cut down on the lead time from time of trade/mandate violation to error detection by the middle office controllers.

Currency Risk:

GRM is also exposed to currency risk by operating costs not all being in USD and from derivative trades quoted to clients in non-USD currency.

Currency risk is continuously monitored in the same way as market risk stemming from financial commodity derivatives and continuously hedged.

For quantification of the position risk and basis risk GRM uses statistically based VaR models to quantify the different kind and size of risk. The Board of Directors has issued clear mandates to management regarding the level of market risk that is acceptable.

Interest Rate Risk:

The interest rate exposure stems from committed loan facilities, from the trading lines setup with financial counterparties and from client collateral on which FS GRM has an obligation to pay interest.

The interest rate risk is assessed in accordance with the standard method as described by the Danish Financial Supervisory Authority and reported to the Board of Directors.

The VaR mandates for the individual market risk areas are limited at a maximum level equivalent to 5 % of the tier 1 capital base except for interest rate risk. The mandate for interest rate risk is set at 15 % of the tier 1 capital base. In addition, an early warning threshold in regard to the interest rate risk is defined above which the board of directors and management will discuss whether to hedge.

Liquidity Risk

GRM's business model is based on the basic idea of hedging derivative positions sold to clients back-to-back. If the trading terms regarding collateral and settlement are also identical between the client trade and the hedge transaction, then no liquidity risk of notable size will exist as the potential need to post collateral on the one side due to negative market values will be set-off by the ability to demand collateral from the other side due to positive market values.

GRM's credit terms towards clients on the one side and financial counterparties on the other side are however, not identical, which exposes GRM to liquidity risk.

Notes to the Financial Statement

13 FINANCIAL RISK (CONTINUED)

GRM is currently exempt from Capital Requirements Regulation (CRR) in accordance with article 498, so far until 31 December 2020, however, the Board of Directors has decided to make an adoption of the CRR requirements regarding funding and liquidity risk (NSFR and LCR) into the liquidity risk policy of GRM.

The risk appetite has been determined at

- LCR minimum of 150 %
- NSFR minimum of 150 %

Operational Risk

Operational risks are associated with a trading business like the one of GRM, however, most of these operational risks can be reduced or mitigated using automated controls, system design, procedures and reporting.

In general, the residual operational risk, that remain after considering the reducing effects of preventive measures, is viewed as small. Mitigation efforts include, whenever possible, automated monitoring of known risks and all operational incidents resulting in or having had the potential to cause a loss are registered and reported to the responsible manager and the risk committee for assessment and decision in regard to further preventive actions.

Risk Governance and Reporting

The Board of Directors is responsible for the governance structure. The governance structure is described through several policies the most essential of which are set out below. The policies and supporting procedures makes the Board's risk appetite operational:

- Credit risk policy
- Market risk policy
- Liquidity risk policy
- Operational risk policy
- Policy for preventing money laundering and terrorist financing
- Policy for the prevention of conflicts of interest

In these policies the principles for managing the risks are clearly stated, and GRM has implemented reporting, which ensures that all the principles stated in the policies are monitored and controlled. The results of the monitoring activities are reported back to the Board of Directors on a regular basis. The reporting is conducted by the second line function Risk Management, which is independent of the first line operation.

Notes to the Financial Statement

13 FINANCIAL RISK (CONTINUED)

Reporting on line and limits is conducted through 3 daily reports (morning report, intraday report and end-of-day report) to management and the business.

If a breach of risk appetite is detected, the Head of Risk Management must report to the Board of Directors. Furthermore, if the company cannot remain compliant, the Head of Compliance must report to management and the Board of Directors.

A Risk Committee has been established. The purpose of the Risk Committee is to assess and decide on any preventive actions on observed or potential risks.

14 SECURITY AND CONTINGENT LIABILITIES

USD ´000	**2017/18**	**2016/17**
Contractual obligations:		
No later than one year	241	172
Hereof Group enterprises	241	64

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.

It is assessed highly unlikely that a present obligation will arise and result in an outflow of economic resources from the Company.

Notes to the Financial Statement

15 *RELATED PARTIES AND OWNERSHIP*

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

Controlling interest is exercised through the 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.

The following shareholders are recorded in the Company's register of shareholders as holding at least 5 % of the votes or at least 5 % of the share capital:

Bunker Holding A/S, Strandvejen 5, DK-5500 Middelfart.

In this financial year the Company had transactions with the following related corporations:

- A/S Global Risk Management Ltd. Holding
- Bunker Holding A/S

Transactions with A/S Global Risk Management Ltd. Holding comprise:

- Resource sharing agreements on lease of office space, communication equipment, IT systems and other administration expenses
- Transactions in oil and fuel-based derivatives for hedging purposes.
- Interest rate on margin deposits

Transactions with A/S Bunker Holding comprise:

- Service level agreements for parent company and treasury services.
- Transactions in currency-based derivatives for hedging purposes.

Resource sharing agreements are settled on a cost-level basis. Derivatives transactions are settled on market terms.

Notes to the Financial Statement

15 RELATED PARTIES AND OWNERSHIP (CONTINUED)

The transactions with related parties are included in the income statement as follows:

USD ´000	Other related parties 2017/18	Parent company 2017/18	Other related parties 2016/17	Parent company 2016/17
Financial income	-	-	-	11
Financial expenses	-76	-211	-	-70
Net trading income*	29,765	-3,212	10,268	7,589
Staff and administrative expenses	-716	-510	-320	-708
Total transactions	28,973	-3,933	9,948	6,811

** Amounts presented in the net trading income above represents the value of realised trades with the related parties. The hedge is not included in these amounts.*

Amounts outstanding with related parties are included in the balance as follows:

USD ´000	Other related parties 2017/18	Parent company 2017/18	Other related parties 2016/17	Parent company 2016/17
Lending and other receivables at amortized cost	-	-	-	1,565
Derivatives and financial instruments	25,366	-3,037	-2,628	3,801
Deposits and other debt	-385	-616	-	-285
Total amounts outstanding	24,981	-3,653	-2,628	5,081
Margin call issued on the basis of the exposure on 30 April 2018	-1,400	-	-	-

16 FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

Fee to auditors appointed at the general meeting is stated in the Annual Report of Bunker Holding A/S.

Notes to the Financial Statement

17 *ACCOUNTING POLICIES*

Basis of Preparation

The Annual Report of A/S Global Risk Management Ltd. Fondsmæglerselskab for 2017/18 has been prepared in accordance with the Danish Financial Business Act.

The company has chosen to insert Derivatives and financial instruments as a balance sheet item in assets and liabilities comprising trade related balance items subject to netting and offsetting.

The Annual Report for 2017/18 is presented in USD thousands.

Pooling of Interests and Adjustment of Figures for Comparison

With the commencement of licensed investment firm activities in GRM on 3 of January 2018 the transfer of net assets from A/S Global Risk Management Ltd Holding was performed with pooling of interests and retrospective effect as of 1 May 2017. Thus, the income statement in 2017/18 as well as the 2016/17 figures for comparison have been adjusted to reflect this.

Accordingly, the balance and equity in the beginning of the financial year reflect the transfer of net assets that were effectuated on 3 January 2018.

The method used to allocate the result between the two companies over the financial year 2017/18 and to adjust the 2016/17 figures for comparison is the same as used to determine the net assets to be transferred from A/S Global Risk Management Ltd. Holding to GRM:

Net trading income is allocated in the financial year 2017/18 in accordance with which client and related hedges that are contractually novated into the investment firm in order to comply with the MIFID regulation. The same client base is used to determine the correct figure for comparison for 2016/17. Accordingly, the part of the total assets and liabilities that is derived from trades with the client base is designated to GRM for 2016/17 and corresponds with the net assets transferred on 3 January 2018.

The allocation of 2017/18 staff and administrative expenses as well as the expense figures for comparison for year 2016/17 are aligned with the overall estimation of the investment firm activities draw on resources available for the Global Risk Management companies with the key estimation parameter being the devotion of management and employee time to the investment firm activities.

Expenses that can be allocated directly to one client or one group of clients transferred to the investment firm have been fully allocated to GRM. This also applies for other expenses that are directly associated with investment firm activities or preparations.

Notes to the Financial Statement

17 ACCOUNTING POLICIES (CONTINUED)

Recognition and Measurement

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

Value adjustments of financial assets and liabilities measured at fair value or amortised cost, are recognised in the income statement. Moreover, all expenses incurred to achieve the earnings for the year are 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.

Financial assets and liabilities are initially measured at fair value. Other 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 predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

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

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.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the paragraph on hedge accounting.

Notes to the Financial Statement

17 ACCOUNTING POLICIES (CONTINUED)

Derivatives and Financial Instruments

Derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently remeasured at their fair values. Any difference between the transaction price and fair value determined when applying a valuation model, which is not solely based on observable market data is deferred and recognised over the term of the contract.

Derivative financial assets and liabilities and related collateral payable and receivable are presented net if the Company has both a current legally enforceable right to set off the recognised amounts and intends to settle net. Net amounts of positive and negative fair values of derivative financial instruments are presented in separate line items in the balance sheet.

Fair value of OTC oil derivative contracts is determined on the basis of generally applied forward and option pricing models. Inputs to the models are to the extent possible determined on the basis of observable prices for the underlying products. For contracts where the most significant input is unobservable, management estimates the input based on recent transactions, transactions with similar products etc.

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 ac-counting.

The contracts entered into as of 30 April 2018 comprise commodity derivatives and currency forwards for hedging purposes.

Derivatives and financial instruments are netted end offset fair value of unrealised traded instruments, receivables and payables from settled financial instruments and exchanged collateral and are included.

Income Statement

Net Trading Income

Net trading income includes fair value gains and losses net related to commodity derivatives.

Staff and Administrative Expenses

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

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

Notes to the Financial Statement

17 ACCOUNTING POLICIES (CONTINUED)

Interest Income and Expenses

Interest income and expenses comprise interest, financial expenses related to guarantees and committed facilities, realised and unrealised exchange adjustments, price adjustment of securities as well as extra payment 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. The tax attributable to the profit for the year is 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.

Balance Sheet

Receivables and Payables with Credit Institutes

Receivables and payables with credit institutes are deposits and overdraft facilities with credit institutes, that are initially recognised at fair value and subsequently measure at amortised cost.

Lending and Other Receivables at Amortised Cost

Other 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 comprise prepaid expenses paid in respect of expenses in subsequent years. Prepayments are measured at historical cost price.

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.

Deposits and Other Debt

Deposits and other debt comprise fixed term loans with the parent company, Bunker Holding A/S.

Other Liabilities

Other liabilities are measured at net realisable value. Other liabilities comprise expenses due the next financial year as well as employee related debt.

Notes to the Financial Statement

17 ACCOUNTING POLICIES (CONTINUED)

Definition of Financial Ratios

Own funds as a percentage of minimum capital requirements $= \dfrac{\text{Own funds}}{\text{Minimum capital requirement}}$

Solvency ratio $= \dfrac{\text{Own funds}}{\text{Total risk exposure amount}}$

Tier 1 capital ratio $= \dfrac{\text{Tier 1 capital}}{\text{Total risk exposure amount}}$

Return on equity before tax $= \dfrac{\text{Result before tax}}{\text{Average Equity}}$

Return on equity after tax $= \dfrac{\text{Net result}}{\text{Average Equity}}$

Income/cost ratio $= \dfrac{\text{Operating income}}{\text{Operating expenses}}$

Own funds as a percentage of initial capital requirement $= \dfrac{\text{Own funds}}{\text{Initial capital requirement}}$

Own funds as a percentage of 25 % of fixed expenses $= \dfrac{\text{Own funds}}{\text{25 \% of fixed expenses}}$

Own funds as a percentage of individual capital requirement $= \dfrac{\text{Own funds}}{\text{Individual capital requirement}}$

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Risk Management | customised hedging of your fuel price risk
Investment Firm

Management's Statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of A/S Global Risk Management Ltd. Fondsmæglerselskab for the financial year 1 May 2017 – 30 April 2018.

The Annual Report has been prepared in accordance with the Danish Financial Business Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 30 April 2018 of the Company and of the results of the Company's operations for 2017/18.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

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

Middelfart, 27 June 2018

Executive Board

Hans Erik Christensen
CEO

Board of Directors

Keld Rosenbæk Demant
Chairman

Jacob Bro Eriksen

Kaj Damgaard

Jesper Klokker Hansen

Independent Auditor's Report

To the Shareholders of A/S Global Risk Management Ltd. Fondsmæglerselskab

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2018, and of the results of the Company's operations for the financial year 1 May 2017 – 30 April 2018 in accordance with the Danish Financial Business Act.

We have audited the financial statements of A/S Global Risk Management Ltd. Fondsmæglerselskab for the financial year 1 May 2017 – 30 April 2018, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 Business 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 Business 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 Business 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Trekantomraadet, 27 June 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen	Michael Laursen
State Authorised Public Accountant	State Authorised Public Accountant
mne30224	mne26804