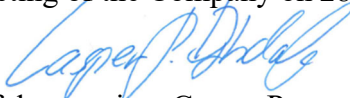


**A/S Dan-Bunkering Ltd.
Strandvejen 5
5500 Middelfart**

CVR No 67 22 69 17

Annual Report for 2018/19

The Annual Report was presented and adopted at the Annual
General Meeting of the Company on 28 June 2019



Chairman of the meeting: Casper Pasgaard Dybdal

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights of the Company	6
Review	7
Financial Statements	
Income Statement	11
Balance Sheet	12
Statement of Changes in Equity	14
Cash Flow Statement	15
Notes to the Annual Report	16
Accounting Policies	22

Management's Statement

The Executive and Supervisory Boards have today presented and adopted the Annual Report of A/S Dan-Bunkering Ltd. for the financial year 1 May 2018 – 30 April 2019.

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 2019 and of the results of the Company operations and cash flows for 2018/19.

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

Middelfart, 17 June 2019

Executive Board

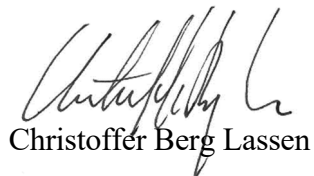


Henrik Zederkof

Supervisory Board



Keld Rosenbæk Demant
Chairman



Christoffer Berg Lassen



Michael Krabbe

Independent Auditor's Report

To the Shareholders of A/S Dan-Bunkering Ltd.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2019, and of the results of the Company's operations and cash flows for the financial year 1 May 2018 - 30 April 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of A/S Dan-Bunkering Ltd. for the financial year 1 May 2018 - 30 April 2019, which comprise income statement, balance sheet, statement of cash flows, 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 Financials 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.

Independent Auditor's Report

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Independent Auditor's Report

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

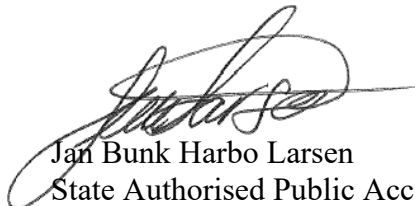
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trekantområdet, 17 June 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Jan Bunk Harbo Larsen

State Authorised Public Accountant

mne30224

Management's Review

Company Information

The Company

A/S Dan-Bunkering Ltd.
Strandvejen 5
DK-5500 Middelfart

Telephone: +45 64 41 54 01
Facsimile: +45 64 41 53 01
E-mail: middelfart@dan-bunkering.com

CVR No: 67 22 69 17
Financial year: 1 May - 30 April
Municipality of
reg. office: Middelfart

Supervisory Board

Keld Rosenbæk Demant, Chairman
Christoffer Berg Lassen
Michael Krabbe

Executive Board

Henrik Zederkof

Auditors

PricewaterhouseCoopers
Statsautoriseret 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 highlights:

	2018/19	2017/18	2016/17	2015/16	2014/15*
	USD '000	USD '000	USD '000	USD '000	USD '000
Profit					
Revenue	865,231	761,533	717,395	518,269	1,190,750
Gross profit	18,481	15,509	16,761	22,044	35,891
Profit before financials	10,548	8,016	3,392	2,089	913
Net financials	6,069	4,882	3,556	3,693	(1,206)
Profit before tax	16,617	12,897	6,949	5,783	12,057
Net profit for the year	14,317	11,020	6,133	5,782	10,206
Balance sheet					
Balance sheet total	90,101	95,990	81,821	59,082	104,594
Equity	35,480	36,163	25,143	19,010	41,547
Cash flows					
Cash flows from:					
- operating activities	7,762	14,885	(4,221)	13,689	28,157
- investing activities	(301)	(619)	(9,750)	49	19
hereof investment in property, plant and equipment and intangible assets	(312)	(611)	(126)	(7)	(123)
- financing activities	(6,342)	(14,514)	13,110	(14,173)	(28,329)
Change in cash and cash equivalents for the year	1,119	(248)	(861)	(435)	(153)
Ratios (%)					
Gross margin	2.1%	2.0%	2.3%	4.3%	3.0%
Profit margin	1.2%	1.1%	0.5%	0.4%	0.1%
Return on equity	40.0%	36.0%	27.8%	19.1%	28.1%
Liquidity ratio	1.39	1.37	1.25	1.37	1.36
Solvency ratio	39.4%	37.7%	30.7%	32.2%	39.7%
Number of employees	33	33	81	126	132

For definitions, see under accounting policies.

* The Company has changed accounting policy for recognition and measurement of investments in subsidiaries. With reference to section 101 (3) of the Danish Financial Statements Acts investments in subsidiaries are still recognised and measured under the equity method for the year 2014/15.

Review

Activities

The main activities of the Company comprise the purchase, sale, mediation and supply of bunkers and lubricating oil for ships as well as various naturally related services. Trade takes place on a worldwide basis with suppliers and customers within the shipping industry. The Company is represented by own offices in Denmark and Russia.

Development in the year

Earnings before tax amounted to USD 16.6 million. The equity amounted to USD 35.5 million at year-end corresponding to 39% of the total assets.

Revenue rose by USD 104 million to USD 865 million.

A/S Dan-Bunkering Ltd. has improved earnings, and profit before tax in 2018/19 was USD 3.7 million higher compared to 2017/18. The performance is satisfactory as the company is still operating in a volatile shipping market, where bunker companies lowered their margins during the year.

A/S Dan-Bunkering Ltd. maintained a very high nominal equity and the solvency ratio ended at 39% of the total assets end of the year. Due to this continued solid and robust financial position of the Company we maintain a very strong position with our suppliers in terms of credits. The Company participates in a loan agreement through its parent company and has access to substantial funds and liquidity.

Strategy and objective

A/S Dan-Bunkering Ltd.'s vision is to be a global and leading supplier of bunkers, lubricating oil and related products and services.

A/S Dan-Bunkering Ltd. will on a continuous basis develop its business in line with the customers' wishes and requirements. The Company wants to be known as a safe choice for its customers and for its high quality in a wide sense, and deliveries must follow the highest international standards as regards both trade and quality.

The Company's strategy plan contains clear objectives for A/S Dan-Bunkering Ltd. as a whole and for the individual enterprises of the Group to support growth in activities and earnings. Current follow-up is made on the realisation of the goals set.

Review

Financial and operational 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 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. Thorough internal procedures are in place to minimise the credit risks and the international conventions for obtaining maritime lien for bunker deliveries mitigates the negative impact from defaulting payers. In addition, the Company insures the credit risk on certain receivables where considered adequate due to the credit worthiness of the counter party or the size of the credit exposure.

Interest rate risks

The Company's interest-bearing debt is 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 interest rate changes and hedges the interest rate risk if considered adequate.

Oil price risk

The Company's trading activities are back-to-back trading, where sale and purchase are done simultaneously and thus without any open positions. When the Company enters into fixed price agreements the oil price exposure from such contracts is also hedged to reduce the price risk.

Trading risks

The Company's trading activities are widely spread on the various shipping segments and no single customer or supplier has a significant part of the Company's sales or purchases. Deliveries take place widely spread over the world and as such geographical or political uncertainty in specific parts of the world should not affect the Group's activities significantly.

Review

Corporate social responsibility

(cf. Section 99 a of the Danish Financial Statements Act)

The Company's policies for corporate social responsibility are disclosed in the Financial Statement of A/S United Shipping & Trading Company for 2018/19.

Report on Gender Composition in Management

(cf. Section 99 b in the Danish Financial Statements Act)

Currently the Board of Directors in A/S Dan-Bunkering Ltd. consists of three members of which zero is female. It is our ambition to have one female member among the members of the Board of Directors elected on the general assembly no later than 2020/21.

Policy for the underrepresented gender at other management levels

The Company's policies for the underrepresented gender at other management levels are disclosed in the Financial Statement of A/S United Shipping & Trading Company for 2018/19.

Compliance

At A/S Dan-Bunkering Ltd., we know that every lasting business relationship is based on mutual trust and respect. We also know that trust is earned and should not be taken for granted. Keeping promises and meeting expectations are keys to building a trustful relation where two parties can rely on each other.

Quality, proactivity and attention to detail must characterise everything we do. This means that we always strive to create value for our customers and suppliers in any way that we can, and that we aim to avoid unnecessary bureaucracy and obsolete routines. We set high standards for our employees and expect initiative from all, while at the same time displaying a high degree of humanity and compassion.

Competition & Anti-corruption

It is a fundamental principle that A/S Dan-Bunkering Ltd. must act in full compliance with applicable competition laws and anti-corruption laws. Due to the global nature of our activities, it is imperative that A/S Dan-Bunkering Ltd. complies with all relevant rules and legislation in those countries where the Company operates.

A/S Dan-Bunkering Ltd.'s activities are subject to a number of anti-corruption laws, i.a. the Danish Criminal Code, the UK law against corruption (the UK Bribery Act) and the American anti-corruption law (the U.S. Foreign Corrupt Practices Act).

The Company has introduced a compliance program to ensure that the Company has adequate procedures to prevent fraudulent behavior among individuals within the Company or persons associated with the Company.

Review

Compliance Programs

It is A/S Dan-Bunkering Ltd.'s policy that all board members, managers and employees must have a general understanding of competition and anti-corruption laws and possesses the tools and knowledge necessary to ensure that A/S Dan-Bunkering Ltd. acts in full compliance herewith. Furthermore, it is our policy that all board members, managers and employees must demonstrate proper business ethics and code of conduct.

To realise this goal, A/S Dan-Bunkering Ltd. strengthens the knowledge of competition law and anti-corruption law by having a so-called 'competition law compliance program' and an 'anti-corruption law compliance program'. The programs each consist of a compliance manual (available on the company intranet) and recurring training of relevant managers and employees in competition-law and anti-corruption law matters. Furthermore, each employee is to complete a compliance e-learning once every year.

A/S Dan-Bunkering Ltd.'s management assists in ensuring that we act in compliance with competition law and anti-corruption law. Employees must always report to management both in clear-cut cases and cases of doubt. Employees are encouraged to consult management with any questions or grey-zone matters.

Expectations for the year ahead

The Company's level of activity, revenues and earnings are affected by a number of external factors, such as the development on the global freight market, the oil price development and the general structure of the oil market.

In the financial year 2019/20, we expect a result around the same level of what have been achieved this year.

Underpinned by our strong financial position we expect to see positive effects of the implementation of IMO 2020 regulation. Combined with the effect of our strategic initiatives, we believe that we can maintain momentum at the current level

Income Statement 1 May - 30 April

	Note	2018/19 USD '000	2017/18 USD '000
Revenue	1	865,231	761,533
Direct expenses		<u>(846,750)</u>	<u>(746,024)</u>
Gross profit		18,481	15,509
Other operating income		1,247	725
Other external expenses		(4,586)	(3,977)
Staff expenses	2	<u>(4,433)</u>	<u>(4,198)</u>
Profit before depreciation		10,709	8,059
Depreciation	7	<u>(161)</u>	<u>(43)</u>
Profit before financial income and expenses		10,548	8,016
Income from investments in subsidiaries		6,000	2,000
Financial income	3	1,540	1,027
Reversed impairment of financial assets	8	0	2,603
Financial expenses	4	<u>(1,471)</u>	<u>(749)</u>
Profit before tax		16,617	12,897
Corporation tax	5	<u>(2,300)</u>	<u>(1,877)</u>
Net profit for the year		<u>14,317</u>	<u>11,020</u>
Proposed distribution of profit	6		

Balance Sheet at 30 April

Assets

	<u>Note</u>	<u>2019</u> USD '000	<u>2018</u> USD '000
Land and buildings		528	533
Other fixtures and fittings, tools and equipment		738	342
Leasehold improvements		119	359
Property, plant and equipment	7	<u>1,385</u>	<u>1,234</u>
Deposit		161	172
Securities		15	16
Investments in subsidiaries		12,860	12,860
Fixed asset investments	8	<u>13,036</u>	<u>13,048</u>
Fixed assets		<u>14,421</u>	<u>14,282</u>
Trade receivables		62,071	57,042
Receivables from group enterprises		8,859	11,411
Receivables from group enterprises, special-term deposits		3,474	12,132
Deferred tax asset	9	79	91
Corporation tax		0	0
Other receivables		463	632
Prepayments	10	286	343
Receivables		<u>75,232</u>	<u>81,651</u>
Cash at bank and in hand		<u>448</u>	<u>57</u>
Current assets		<u>75,680</u>	<u>81,708</u>
Total assets		<u>90,101</u>	<u>95,990</u>

Balance Sheet at 30 April

Liabilities and equity

	<u>Note</u>	<u>2019</u> USD '000	<u>2018</u> USD '000
Share capital		3,404	3,404
Retained earnings		<u>32,076</u>	<u>32,759</u>
Equity	11	<u>35,480</u>	<u>36,163</u>
Credit institutions		267	994
Trade payables		23,355	26,491
Payables to group enterprises		27,572	29,646
Corporation tax		2,288	1,860
Other payables		<u>1,139</u>	<u>836</u>
Short-term debt		<u>54,621</u>	<u>59,827</u>
Total liabilities and equity		<u>90,101</u>	<u>95,990</u>
Contingent liabilities	12		
Related parties	13		
Fee to auditors appointed at the general meeting	14		
Subsequent events	15		
Accounting policies	16		

Statement of Changes in Equity

2018/19:

	Share capital	Retained earnings	Total
	USD '000	USD '000	USD '000
Equity at 1 May	3,404	32,759	36,163
Dividend paid	0	(15,000)	(15,000)
Net profit for the year	0	14,317	14,317
Equity at 30 April	3,404	32,076	35,480

2017/18:

	Share capital	Retained earnings	Total
	USD '000	USD '000	USD '000
Equity at 1 May	3,404	21,739	25,143
Net profit for the year	0	11,020	11,020
Equity at 30 April	3,404	32,759	36,163

Cash Flow Statement 1 May - 30 April

	<u>2018/19</u>	<u>2017/18</u>
	USD '000	USD '000
Profit for the year before tax	16,617	12,897
Depreciation and impairment	161	(2,561)
Changes in receivables	(2,252)	1,154
Changes in trade payables, other payables, etc	(4,907)	4,215
Other adjustments	(102)	63
	<u>9,517</u>	<u>15,768</u>
Cash flows from ordinary activities		
Corporation tax paid	(1,755)	(883)
Cash flows from operating activities	<u>7,762</u>	<u>14,885</u>
Purchase of property, plant and equipment	(312)	(611)
Fixed asset investments made	11	(8)
Cash flows from investing activities	<u>(301)</u>	<u>(619)</u>
Changes in special-term loans	8,658	(14,514)
Dividend paid	(15,000)	0
Cash flows from financing activities	<u>(6,342)</u>	<u>(14,514)</u>
Change in cash and cash equivalents	1,119	(248)
Cash and cash equivalents at 1 May	<u>(938)</u>	<u>(690)</u>
Cash and cash equivalents at 30 April	<u>181</u>	<u>(938)</u>

Notes to the Annual Report

1 Revenue

The Company's activities are considered one segment.

	<u>2018/19</u>	<u>2017/18</u>
	USD '000	USD '000
2 Staff expenses		
Wages and salaries	4,129	3,877
Pensions	234	246
Other social security expenses	70	75
	<u>4,433</u>	<u>4,198</u>

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	<u>33</u>	<u>33</u>
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3 Financial income

Hereof intercompany interest income	<u>807</u>	<u>417</u>
-------------------------------------	------------	------------

4 Financial expenses

Hereof intercompany interest expenses	<u>563</u>	<u>248</u>
---------------------------------------	------------	------------

5 Corporation tax

Current tax for the year	2,288	1,862
Change of deferred tax	12	15
	<u>2,300</u>	<u>1,877</u>

which is broken down as follows:

Tax on profit for the year	<u>2,300</u>	<u>1,877</u>
	<u>2,300</u>	<u>1,877</u>

Notes to the Annual Report

	2018/19	2017/18	
	USD '000	USD '000	
6 Proposed distribution of profit			
Retained earnings	(683)	11,020	
Extraordinary dividend paid	15,000	0	
	14,317	11,020	
		Other fixtures and fittings, tools and equipment	
7 Property, plant and equipment	Land and buildings	Leasehold improvements	USD '000
	USD '000	USD '000	USD '000
Cost at 1 May	578	409	714
Reclassification		(210)	210
Additions for the year	0	0	312
Cost at 30 April	578	199	1,236
Depreciation at 1 May	44	50	373
Depreciation for the year	6	30	125
Depreciation at 30 April	50	80	498
Carrying amount at 30 April	528	119	738

Notes to the Annual Report

8 Fixed asset investments	Deposit	Securities	Investments in subsidiaries
	USD '000	USD '000	USD '000
Cost at 1 May	172	15	12,860
Additions and disposals for the year	(11)	0	0
Cost at 30 April	161	15	12,860
Value adjustments at 1 May	0	1	0
Exchange adjustment	0	(1)	0
Value adjustments at 30 April	0	0	0
Carrying amount at 30 April	161	15	12,860

Investments in subsidiaries comprise:

Place of reg. office	Name	Ownership Share	Equity 2019	Net profit 2018/19
			USD '000	USD '000
Monaco	Dan-Bunkering (Monaco) S.A.M.	100%	2,280	311
Texas, USA	Dan-Bunkering (America) Inc.	100%	11,305	5,320
UAE, Dubai	Dan-Bunkering (Middle East) DMCC	100%	9,665	2,863
Singapore	Dan-Bunkering (Singapore) Pte. Ltd.	100%	4,328	1,721

9 Deferred tax	2019	2018
	USD '000	USD '000
Deferred tax at 1 May	(91)	(106)
Change for the year	12	15
Deferred tax at 30 April	(79)	(91)

Deferred tax assets relate to temporary differences on property plant and equipment, which are essentially expected to be recirculated in the tax statement.

Notes to the Annual Report

10 Prepayments

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

11 Equity

The share capital consists of:

1,500 shares of DKK 10,000 (equivalent USD 1,781.2) at the historical exchange rate of 5.6141 to USD 2,672k and 500 shares of DKK 10,000 (equivalent USD 1,464.2) at the exchange rate of 6.8296 to USD 732k.

12 Contingent liabilities

A/S Dan-Bunkering Ltd. is an obligor in respect of the bank loans of the group companies. As at 30 April 2019, these obligations were limited to USD 60,102k, which is equal to A/S Dan-Bunkering Ltd.'s equity and A/S Dan-Bunkering Ltd.'s and its subsidiary's intra-group liability to Bunker Holding A/S as at 30 April 2019.

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 A/S Dan-Bunkering Ltd. in an amount equaling the part of the obligations which relate to A/S Dan-Bunkering Ltd. and its subsidiary'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

	<u>2019</u>	<u>2018</u>
	USD '000	USD '000
12 Contingent liabilities (continued)		
Operating lease commitments:		
Within one year	181	195
Between one and five years	338	438
After five years	<u>0</u>	<u>0</u>
Total lease	<u>519</u>	<u>633</u>
Hereof group enterprises	<u>4</u>	<u>4</u>
Guarantees:		
Payment guarantee, through bank	<u>8</u>	<u>8</u>

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. The Company's ultimate Parent Company which prepares Consolidated Financial Statements is Selfinvest ApS, in which Torben Østergaard-Nielsen, CEO, exercises control.

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, Gl. Strandvej 171, 5500 Middelfart, CEO, exercises control.

Notes to the Annual Report

14 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.

15 Subsequent events

No significant events effecting the assessment of the Annual Report have accurered after the balance sheet date.

Notes to the Annual Report

16 Accounting Policies

Basis of Preparation

The Annual Report of A/S Dan-Bunkering Ltd. for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Annual Report for 2018/19 is presented in USD 1,000.

The accounting policies applied remain unchanged from previous year.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Bunker Holding A/S, the Company has not prepared consolidated financial statements.

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 is 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.

Notes to the Annual Report

16 Accounting Policies (continued)

Recognition and measurement (continued)

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.

Presentation currency

The Financial Statements for 2018/19 have been presented in USD. At 30 April 2019 the year-end exchange rate for USD/DKK was 6.54. The comparative figures are translated at the historical year-end exchange rate which as of 30 April 2018 was USD/DKK 6.17.

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.

Income statements of foreign subsidiaries that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

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.

Notes to the Annual Report

16 Accounting Policies (continued)

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.

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.

Notes to the Annual Report

16 Accounting Policies (continued)

Staff expenses

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

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

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.

Balance Sheet

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.

Land is measured at cost. No depreciation is made on land.

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

Freehold flat is measured at market value if this value is assessed to be of a durable nature, less accumulated depreciation.

Notes to the Annual Report

16 Accounting Policies (continued)

Property, plant and equipment (continued)

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

Buildings	20-50 years
Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5 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.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured to the lower of historical cost and net realisable value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments under assets comprise prepaid expenses.

Securities

Securities recognised in current assets are measured at the fair value at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Dividend

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

Notes to the Annual Report

16 Accounting Policies (continued)

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.

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.

Notes to the Annual Report

16 Accounting Policies (continued)

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.

Notes to the Annual Report

16 Accounting Policies (continued)

Definition of financial ratios

Gross margin	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	=	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on equity	=	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$
Liquidity ratio	=	$\frac{\text{Current assets}}{\text{Short-term debt}}$
Solvency ratio	=	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Average number of employees	=	Employees are converted to annual full time employees