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# *A/S Dan-Bunkering Ltd.*

Fynsvej 9, DK-5500 Middelfart

## Annual Report for 1 May 2022 - 30 April 2023

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CVR No. 67 22 69 17

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 27/6 2023

Casper Pasgaard  
Dybdal  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of A/S Dan-Bunkering Ltd. for the financial year 1 May 2022 - 30 April 2023.

The Annual Report is 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 at 30 April 2023 of the Company and of the results of the Company operations for 2022/23.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Middelfart, 27 June 2023

## Executive Board

Claus Bulch Klausen  
CEO

## Board of Directors

Keld Rosenbæk Demant

Christoffer Berg Lassen

Michael Krabbe

# Independent Auditor's report

To the shareholder 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 2023 and of the results of the Company's operations for the financial year 1 May 2022 - 30 April 2023 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 2022 - 30 April 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

## Management's responsibilities for the Financial Statements

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

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.

# Independent Auditor's report

## 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 judgement 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.

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, 27 June 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Lasse Berg

State Authorised Public Accountant

mne35811

## Company information

<b>The Company</b>	A/S Dan-Bunkering Ltd. Fynsvej 9 DK-5500 Middelfart  Telephone: + 45 64 41 54 01 Email: middelfart@dan-bunkering.com  CVR No: 67 22 69 17 Financial period: 1 May 2022 - 30 April 2023 Municipality of reg. office: Middelfart
<b>Board of Directors</b>	Keld Rosenbæk Demant Christoffer Berg Lassen Michael Krabbe
<b>Executive Board</b>	Claus Bulch Klausen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 7100 Vejle

## Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022/23	2021/22	2020/21	2019/20	2018/19
	TUSD	TUSD	TUSD	TUSD	TUSD
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	1,090,819	1,003,229	631,280	717,153	865,231
Gross profit/loss	26,503	4,569	9,980	15,010	15,142
Profit/loss before financial income and expenses	17,873	-745	4,693	8,811	10,548
Profit/loss of financial income and expenses	49,824	14,314	11,183	14,888	10,284
Profit before tax	67,697	13,569	15,876	23,699	25,047
Net profit/loss	63,648	12,771	14,658	21,809	22,747
<b>Balance sheet</b>					
Balance sheet total	164,854	143,929	115,509	89,781	104,819
Investment in property, plant and equipment	13	55	627	31	312
Equity	92,153	66,521	53,972	59,934	50,198
Number of employees	33	34	33	36	33
<b>Ratios</b>					
Gross margin	2.4%	0.5%	1.6%	2.1%	1.8%
Solvency ratio	55.9%	46.2%	46.7%	66.8%	47.9%
Return on equity	80.2%	21.2%	25.7%	39.6%	47.0%

For definitions, see under accounting policies.

# Management's review

## Key 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 offices in Middelfart and Copenhagen.

## Development in the year

Earnings before tax amounted to USD 67.7 million. The equity amounted to USD 92.1 million at yearend. Revenue increased by USD 87 million to USD 1.090 million and gross profit increased by USD 21.9 million. Profit before tax in 2022/23 was USD 54.1 million higher compared to 2021/22.

A/S Dan-Bunkering Ltd. maintained a high nominal equity and the solvency ratio ended at 55.9% 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.

In 2022/23 we restructured our US activities which meant that A/S Dan-Bunkering Ltd. sold Dan-Bunkering America Inc. to Bunker Holding A/S (parent company of A/S Dan-Bunkering Ltd.). This brought in an income of USD 33 million. This results in no changes for our commercial activities, the company still operates within the Dan-Bunkering group and under the same management as before.

The performance in 2022/23 is considered by management to be satisfactory as the company has been operating in a volatile shipping market under the impact of COVID-19 and the global energy crisis.

Last year we expected a result for 2022/23 around the same level as 2021/22. The result for 2022/23 exceeded our expectations due to beforementioned sale.

## Expectations for the year ahead

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

In the financial year 2023/24, we expect a result before tax in the range of USD 12-18 million.

This is however with some uncertainty due to the price developments in the energy markets and a possible global recession.

## Operating risks

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 realization of the goals set.

## 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 cashflows are hedged for a maximum period of the first succeeding 12 months.



# Management's review

## 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.

## 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 minimize 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 counterparty or the size of the credit exposure.

## 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.

## Statement of 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 Bunker Holding A/S (CVR-no. 75 26 63 16) for 2022/23.

## Statement on gender composition

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

The Company's Report on Gender Composition in Management is disclosed in the Financial Statement of Bunker Holding A/S (CVR-no. 75 26 63 16) for 2022/23.

## Statement on data ethics

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

The Company's policies for data ethics are disclosed in the Financial Statement of Bunker Holding A/S (CVR-no. 75 26 63 16) for 2022/23.

## 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 characterize 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.

# Management's review

## 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.

## 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 realize the goal, A/S Dan-Bunkering Ltd. strengthens the knowledge of competition law and anticorruption law by having a '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 anticorruption 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.

## Income statement 1 May 2022 - 30 April 2023

	Note	2022/23 TUSD	2021/22 TUSD
Revenue	1	1,090,819	1,003,229
Other operating income		8,005	3,871
Expenses for raw materials and consumables		-1,062,563	-987,433
Other external expenses		-9,758	-15,098
<b>Gross profit</b>		<b>26,503</b>	<b>4,569</b>
Staff expenses	3	-8,535	-5,211
<b>Earnings Before Interest Taxes Depreciation and Amortization</b>		<b>17,968</b>	<b>-642</b>
Depreciation and impairment losses of property, plant and equipment		-95	-103
<b>Profit/loss before financial income and expenses</b>		<b>17,873</b>	<b>-745</b>
Income from investments in subsidiaries	2	50,888	13,907
Financial income	4	483	1,093
Financial expenses	5	-1,547	-686
<b>Profit/loss before tax</b>		<b>67,697</b>	<b>13,569</b>
Tax on profit/loss for the year	6	-4,049	-798
<b>Net profit/loss for the year</b>	7	<b>63,648</b>	<b>12,771</b>

# Balance sheet 30 April 2023

## Assets

	Note	2022/23 TUSD	2021/22 TUSD
Other fixtures and fittings, tools and equipment		8	52
Leasehold improvements		71	110
Prepayments for property, plant and equipment		0	55
<b>Property, plant and equipment</b>	8	<u>79</u>	<u>217</u>
Investments in subsidiaries	9	24,631	38,943
Other investments	10	17	17
Deposits	10	365	321
<b>Fixed asset investments</b>		<u>25,013</u>	<u>39,281</u>
<b>Fixed assets</b>		<u>25,092</u>	<u>39,498</u>
Trade receivables		72,779	51,293
Receivables from group enterprises		64,159	51,057
Other receivables		1,925	1,821
Deferred tax asset	11	100	84
Prepayments	12	753	164
<b>Receivables</b>		<u>139,716</u>	<u>104,419</u>
<b>Cash at bank and in hand</b>		<u>46</u>	<u>12</u>
<b>Current assets</b>		<u>139,762</u>	<u>104,431</u>
<b>Assets</b>		<u>164,854</u>	<u>143,929</u>

## Balance sheet 30 April 2023

### Liabilities and equity

	Note	2022/23	2021/22
		TUSD	TUSD
Share capital		3,404	3,404
Reserve for net revaluation under the equity method		11,846	26,058
Reserve for hedging transactions		-16	0
Retained earnings		76,919	37,059
<b>Equity</b>		<b>92,153</b>	<b>66,521</b>
Credit institutions		0	28
Prepayments received from customers		750	0
Trade payables		29,704	32,144
Payables to group enterprises		36,071	42,385
Corporation tax		3,986	822
Other payables	13	2,190	2,029
<b>Short-term debt</b>		<b>72,701</b>	<b>77,408</b>
<b>Debt</b>		<b>72,701</b>	<b>77,408</b>
<b>Liabilities and equity</b>		<b>164,854</b>	<b>143,929</b>
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
Fee to auditors appointed at the general meeting	16		
Subsequent events	17		
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## Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Total
	TUSD	TUSD	TUSD	TUSD	TUSD
Equity at 1 May	3,404	26,058	0	37,059	66,521
Exchange adjustments	0	-306	0	306	0
Extraordinary dividend paid	0	0	0	-38,000	-38,000
Dividend from group enterprises	0	-15,000	0	15,000	0
Fair value adjustment of hedging instruments, end of year	0	0	-21	0	-21
Tax on adjustment of hedging instruments for the year	0	0	5	0	5
Other equity movements	0	-16,642	0	16,642	0
Net profit/loss for the year	0	17,736	0	45,912	63,648
<b>Equity at 30 April</b>	<b>3,404</b>	<b>11,846</b>	<b>-16</b>	<b>76,919</b>	<b>92,153</b>

# Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TUSD	TUSD
<b>1. Revenue</b>		
<b>Geographical segments</b>		
Revenue, domestic	83,663	138,808
Revenue, foreign	<u>1,007,156</u>	<u>864,421</u>
	<u><b>1,090,819</b></u>	<u><b>1,003,229</b></u>

	<u>2022/23</u>	<u>2021/22</u>
	TUSD	TUSD
<b>2. Special items</b>		
Legal case expense, recognised as Other external expenses	0	-6,939
Gain on sale of shares, recognised as Income from investments in subsidiaries	33,206	0
	<u><b>33,206</b></u>	<u><b>-6,939</b></u>

	<u>2022/23</u>	<u>2021/22</u>
	TUSD	TUSD
<b>3. Staff Expenses</b>		
Wages and salaries	8,237	4,906
Pensions	238	249
Other social security expenses	<u>60</u>	<u>56</u>
	<u><b>8,535</b></u>	<u><b>5,211</b></u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	<u><b>33</b></u>	<u><b>34</b></u>
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## Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TUSD	TUSD
<b>4. Financial income</b>		
Interest received from group enterprises	336	1,040
Other financial income	147	53
	<u>483</u>	<u>1,093</u>

	<u>2022/23</u>	<u>2021/22</u>
	TUSD	TUSD
<b>5. Financial expenses</b>		
Interest paid to group enterprises	821	112
Other financial expenses	726	574
	<u>1,547</u>	<u>686</u>

	<u>2022/23</u>	<u>2021/22</u>
	TUSD	TUSD
<b>6. Income tax expense</b>		
Current tax for the year	3,985	822
Deferred tax for the year	-16	-7
Adjustment of tax concerning previous years	75	-17
	<u>4,044</u>	<u>798</u>

thus distributed:

Income tax expense	4,049	798
Tax on equity movements	-5	0
	<u>4,044</u>	<u>798</u>



## Notes to the Financial Statements

	2022/23	2021/22
	TUSD	TUSD
<b>7. Profit allocation</b>		
Extraordinary dividend paid	38,000	0
Reserve for net revaluation under the equity method	17,736	13,907
Retained earnings	7,912	-1,136
	<u>63,648</u>	<u>12,771</u>

## 8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments for property, plant and equipment
	TUSD	TUSD	TUSD
Cost at 1 May	792	301	55
Disposals for the year	-381	-50	-41
Transfers for the year	0	14	-14
Cost at 30 April	<u>411</u>	<u>265</u>	<u>0</u>
Impairment losses and depreciation at 1 May	740	191	0
Depreciation for the year	44	52	0
Reversal of impairment and depreciation of sold assets	-381	-49	0
Impairment losses and depreciation at 30 April	<u>403</u>	<u>194</u>	<u>0</u>
<b>Carrying amount at 30 April</b>	<u>8</u>	<u>71</u>	<u>0</u>

## Notes to the Financial Statements

	2022/23	2021/22
	TUSD	TUSD
<b>9. Investments in subsidiaries</b>		
Cost at 1 May	12,885	12,885
Disposals for the year	-100	0
Cost at 30 April	<u>12,785</u>	<u>12,885</u>
Value adjustments at 1 May	26,058	19,873
Disposals for the year	-16,893	0
Exchange adjustment	-306	-222
Net profit/loss for the year	17,987	13,907
Dividend to the Parent Company	-15,000	-7,500
Value adjustments at 30 April	<u>11,846</u>	<u>26,058</u>
<b>Carrying amount at 30 April</b>	<u><b>24,631</b></u>	<u><b>38,943</b></u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
Dan-Bunkering (Monaco) S.A.M.	Monaco	100%	2,377,051	574,385
Dan-Bunkering (Middle East) DMCC	UAE, Dubai	100%	12,594,252	2,127,438
Dan-Bunkering (Singapore) Pte. Ltd.	Singapore	100%	9,644,822	4,131,061
Fuel Consulting ehf.	Iceland	100%	15,687	292

## 10. Other fixed asset investments

	Other investments	Deposits
	TUSD	TUSD
Cost at 1 May	16	321
Additions for the year	0	44
Cost at 30 April	<u>16</u>	<u>365</u>
Revaluations at 1 May	1	0
Revaluations at 30 April	<u>1</u>	<u>0</u>
<b>Carrying amount at 30 April</b>	<u><b>17</b></u>	<u><b>365</b></u>

## Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TUSD	TUSD
<b>11. Deferred tax asset</b>		
Deferred tax asset at 1 May	84	76
Amounts recognised in the income statement for the year	<u>16</u>	<u>8</u>
<b>Deferred tax asset at 30 April</b>	<u><b>100</b></u>	<u><b>84</b></u>

## 12. Prepayments

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

## 13. Derivative financial instruments

Derivative financial instruments contracts in the form of options and futures have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	<u>2022/23</u>	<u>2021/22</u>
	TUSD	TUSD
Liabilities	21	0

Forward fixed price agreements contracts have been concluded to hedge future sale of oil in USD. At the balance sheet date, the fair value of the forward exchange contracts amounts to TUSD 21. Sale of oil has been hedged for a period of 1-2 months.

	<u>Value adjustment, equity</u>	<u>Fair value at 30. April</u>
	TUSD	TUSD
Options and futures	21	21

	<u>2022/23</u>	<u>2021/22</u>
	TUSD	TUSD

## 14. Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	979	624
Between 1 and 5 years	<u>2,801</u>	<u>2,349</u>
	<u><b>3,780</b></u>	<u><b>2,973</b></u>

Hereof group enterprises	3	6
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# Notes to the Financial Statements

## Guarantee obligations

Payment guarantees, through bank 0 7

## Other contingent liabilities

A/S Dan-Bunkering Ltd. is an obligor in respect of the bank loans of the group companies. As at 30 April 2023, these obligations were limited to USD 105.496k, 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 2023. 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 companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SelfGenerations T ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 15. Related parties and disclosure of consolidated financial statements

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

### 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.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Bunker Holding A/S.	Middelfart, Denmark.

The Company's ultimate Parent Company which prepares Consolidated Financial Statements is SelfGenerations T ApS, in which Torben Østergaard-Nielsen, CEO, exercises control.

## 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.

## 17. Subsequent events

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

# Notes to the Financial Statements

## 18. Accounting policies

The Annual Report of A/S Dan-Bunkering Ltd. for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Financial Statements for 2022/23 are presented in USD '000

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022/23 of Bunker Holding A/S, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Bunker Holding A/S, the Company has not prepared a cash flow statement.

### Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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

Recognition and measurement take into account 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.

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

### Translation policies

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

Transactions in foreign currencies are translated 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.

# Notes to the Financial Statements

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date 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 section on hedge accounting.

Income statements of foreign subsidiaries and associates 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.

In accordance with the Danish Financial Statements Act the exchange rate, per the balance date, for the presentation currency in relation to Danish kroner is 678,79 against 706,02 last year.

## 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 classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

## Hedge accounting

Changes in the fair values of 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 derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve 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 on revenue

Segment information on activities is presented. The distribution of net revenue by business area does not differ significantly from each other.

## Income statement

### Net sales

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected 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.

# Notes to the Financial Statements

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.

## **Expenses for raw materials and consumables**

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

## **Other external expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

## **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses

## **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

## **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

## **Income from investments in subsidiaries**

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

## **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 deferred tax for the year. The tax attributable to the profit for 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 companies. The tax effect of the joint taxation with the subsidiaries 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 less any accumulated 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.

## Notes to the Financial Statements

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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

Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments 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. If so, 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 under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

### Fixed asset investments

Fixed asset investments, which consist of securities, are measured at the fair value at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

### Other fixed asset investments

Other fixed asset investments consist of deposits

### 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.

### Prepayments

Prepayments under assets comprise prepaid expenses.

### 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.



# Notes to the Financial Statements

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 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

Loans, such as loans from credit institutions, 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.

## Financial Highlights

### Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$