Bunker Holding Group

BUNKER HOLDING

ANNUAL REPORT 2017/18

The Annual Report was presented and adopted at the Company's Annual General Meeting on 29 June 2018

Chairman of the meeting
Michael Keldsen

Financial year 1 May 2017 – 30 April 2018
Strandvejen 5, DK-5500 Middelfart,
company reg. no. 75 26 63 16

OLD, YET ALSO MODERN. GROUNDED IN TRADITIONAL VALUES, YET ALSO AGILE AND INNOVATIVE. ALREADY ONE OF THE WORLD'S LEADING BUNKER TRADING COMPANIES, YET ALSO WITH A HEALTHY APPETITE FOR GROWTH.

CONTENTS

MANAGEMENT'S REVIEW

FINANCIAL STATEMENTS

With roots tracing back more than 140 years, Bunker Holding is one of the bunkering trailblazers of the 1980s.

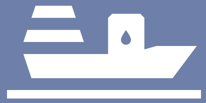
OUR BUSINESS AREAS

BUNKER TRADING

Bunker Holding is one of the world's leading companies in bunker trading. With 56 own offices in 28 countries, represented on every continent but Antarctica, and present in every bunkering hub, Bunker Holding has an unparalleled global reach. Each company specialises in the purchase, sale and supply of fuel and lube oil to ships, and creates value for its clients with expert local knowledge on everything from suppliers to ports.

RISK MANAGEMENT

Global Risk Management (GRM) provides risk management services to companies that want to hedge their oil price risk. The customers include several of the biggest shipping companies and airlines in Europe - that rely on GRM to protect their margins from the risk posed by volatile fuel prices. GRM has offices in Middelfart, Copenhagen and Singapore, and because the company also services external clients, it is subject to strict international regulations on solvency, transparency, governance and reporting practices. From January 2018 the company is accredited by the Danish Financial Supervisory Authority (FSA) to comply with the MiFID II rules.



PHYSICAL OPERATIONS

Over the past several years, Bunker Holding has established physical operations in niche areas as well as sourcing entities in the world's main bunkering ports. This has given Bunker Holding a strong competitive edge and access to new customer segments, and the company will continue along this path. In the financial year 2017/18, physical activities account for 10% of the total volume handled by the Group.

VALUES

Having roots in shipping tracing back more than 140 years, we are one of the bunkering trailblazers of the 1980s, and still family-owned. Bunker Holding is one of the world's leading bunkering groups with a notable presence in physical operations and risk management.

In January this year, our nine physical companies have joined forces under one brand called Bunker One to deliver world class service to our clients. Why? Because we know that unity makes stronger. The strategic move makes refuelling simpler than ever before.

Operating from a solid and robust financial position and enjoying strong creditworthiness, Bunker Holding is committed to sustainable and profitable growth, always with an unwavering focus on risk management.

Grounded by our exciting history and ownership, guided by values such as business acumen, leadership and decency, Bunker Holding stands out as an ingenious, agile, and contemporary organisation constantly gazing towards future business opportunities. Our people, they go the extra mile and do more for clients so they shall do less.

UNPARALLELED GLOBAL FOOTPRINT

56 own offices in 28 countries, and represented on every continent. No other bunkering company can match Bunker Holding's global reach.

56 Offices

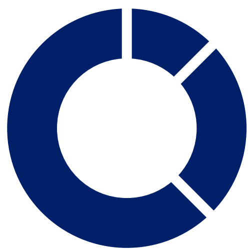
28 Countries

STRONG CREDIT-WORTHINESS

So strong, in fact, that the Group's long term loan facility was achieved without pledging its trade receivables to the banks. Few bunkering companies enjoy this level of trust.

GROWING MARKET SHARE

By increasing its volume in a retracting market, Bunker Holding has seen a significant increase in market share over the past year.



YEAR 2020

Embracing the industry changes in 2020. In the coming decades, shipping will slowly transition to new and cleaner fuels. As a first-mover, Bunker Holding is already gaining knowledge and experience to be ready to navigate change.

TRUSTED TRAILBLAZER WITH PIONEERING EXPERIENCE

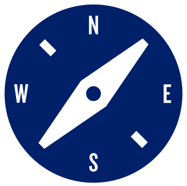
In 1980, Bunker Holding was amongst the first companies in the world to recognise and enter the emerging market for bunker trades.

FAMILY-OWNED

Alone amongst the world's largest bunkering companies, Bunker Holding is owned by its founder - and will remain in private ownership.

TRUSTED RISK MANAGEMENT

Several external clients, including some of the biggest shipping companies and airlines in Europe, rely on Bunker Holding's risk management unit to protect their margins.



Employees end April 2018.

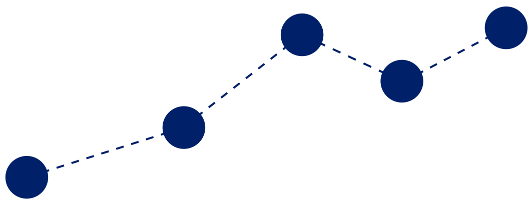
653

READY TO NAVIGATE CHANGE

Whilst other bunkering companies have been forced to scale down over the past year, Bunker Holding has opened more offices and invested heavily in its employees.

WHILST THE GLOBAL VOLUME OF TRADED OIL FELL OVER THE PAST YEAR, BUNKER HOLDING MANAGED TO INCREASE ITS VOLUME.

OPERATING FROM A SOLID AND **ROBUST FINANCIAL POSITION** AND ENJOYING STRONG CREDITWORTHINESS, BUNKER HOLDING IS COMMITTED TO **SUSTAINABLE AND PROFITABLE GROWTH**



PRESENT IN ALL MAJOR BUNKERING HUBS

Singapore, ARA (Amsterdam, Rotterdam and Antwerp), Fujairah, Hong Kong, and Houston. Bunker Holding is in all the world's major bunkering hubs as well as in niche ports.

CEO'S LETTER

TAKING THE RIGHT STEPS TOWARDS INDUSTRY LEADERSHIP

- A STRONG PERFORMANCE ALWAYS REQUIRES A CLEAR DIRECTION

If I were to take the pulse of Bunker Holding's performance in the bunker industry, my evaluation is that Bunker Holding has delivered a solid financial performance in fast changing markets. This is mainly due to our dedicated workforce and passionate focus on customer value creation. Characteristics of the year have been that all business segments have contributed positively to the result meaning that the financial growth is broadly anchored.

Our feet in the right place from the very start
Most of our co-players in the industry talk about challenging markets, and this is in fact very understandable. But instead of talking about the many challenges, the pitfalls and the restrictions,

Keld R. Demant, Group CEO, Bunker Holding.

Bunker Holding has chosen to keep our focus on driving the business forward to become more excellent in everything we do. We simply want to put our feet in the right place from the very start. When the right place is found, we stand firm and work committed to meet our business targets.

Doing what we do best
But how have we reached where we are right now? What are our strategic opt ins and opt outs? What do we do that others don't do? We have a strict focus on what we do best but at the same time we use the necessary time and capacity on scrutinising emerging markets to find the strategic best moves of tomorrow. In this way we challenge what we have already done and the decisions we have already made but only to reassure that they are of the right kind also for dealing with the future. At the same time, we know that constant development is a prerequisite for being a successful bunker supplier. Our core expertise will therefore always be supplemented by innovation and a strong will of enterprise. We are, however, satisfied and proud of what we have accomplished so far, but we never rest on our laurels. We compete to bring the highest value for our customers, nourishing our promise to deliver world-class products and best-in-class service.

All in all, our strong performance is a clear result of having taken four decisive business steps in the years leading up to 2020:

High capability of reading the global bunker market
Bunker Holding was able to predict some of the coming changes in our industry in due time making organisational transitions already in 2016. Swiftly adapting the organisation to market changes was a vital but necessary step made in time.

The right people at the right time
Throughout many years we have invested in attracting, developing and retaining the most talented people in the industry. The tangible benefits of having a strong brand are that reputation carries more weight than anything else. A strong employer brand leads to more qualified applicants hereby fuelling a strong company culture and growth.

A clear direction is serving us well
We are proud to have created a visionary, in-depth and value-adding new business strategy that has already taken us forward in the right direction. Our 24/7 service setup that benefits from time zones, our wide market range, and our tailor-made optimisation gives us the foundation to secure the best possible deals for our customers.

Additionally, it is a prerogative to perceive IT as a lever as well as an analytical and collaborative tool that assists us in understanding customers even better. Bunker Holding therefore has and will continue to invest heavily in IT because we believe that the influence of technology will accelerate and mean radical changes also to the bunker industry.

The privilege of being a privately-owned company
Finally, our owner structure makes us agile, nourishing our long-term visions for the company. The privilege of being a privately-owned company, having an experienced Board of Directors combined with sound management decisions have provided us with the framework for how we conduct business. Our aim is simply to be perceived as a company that is easy to do business with within all our business segments and commercial touchpoints.

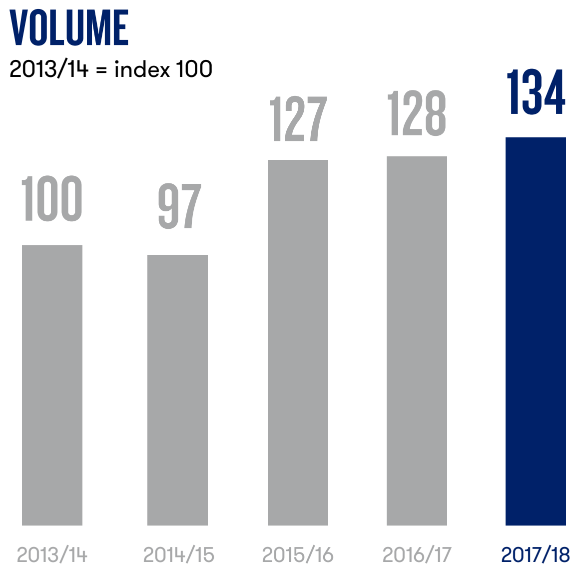
CONNECTING THE DOTS

A long history, an excellent workforce and clear business targets form part of a good hand. Then connecting the right dots for the future becomes much easier.

"A STRONG PERFORMANCE ALWAYS REQUIRES A CLEAR DIRECTION. WE EXPERIENCE THAT WE HAVE MADE THE RIGHT STRATEGIC AND COMMERCIAL CHOICES UP TILL NOW. BUNKER HOLDING IS IN BETTER SHAPE THAN EVER BEFORE"

Keld R. Demant
Group CEO, Bunker Holding.

HIGHLIGHTS OF THE YEAR



In a year with changing dynamics in the shipping industry where many bunker companies struggled, Bunker Holding achieved solid and satisfactory results that were in line with expectations. The Group was able to grow in a retracting market and sustain healthy margins in a period of aggressive competition.

Once again, our global workforce has delivered a strong and dedicated effort throughout the year. We have seen that our financial performance has improved due to these efforts and strong leadership which is in perfect combination with our strategy. This is underpinned by our solid financial position, our strong creditworthiness and finally by the agility of being a family-owned company.

Volume

Increasing market share

In an industry where many players are not experiencing momentum and some of them must even realise a drop in volumes, Bunker Holding recorded an increase in volumes again this year. This has strengthened our position as one of the globally leading bunkering companies and entailed an increase in our market share.

Revenues

Growth in volume and higher oil prices

Rising oil prices during the year combined with continued growth in volume resulted in revenues jumping 26% to USD 8,153 million. The development is a result of an increase in the average oil price for the year of 17% combined with an increase in volume.

Gross profit

Healthy and growing gross profit

A new and visionary strategy paved the way for growth in gross profit of 7% to USD 221.5 million. This came out of customer value creation in all business segments resulting in slightly increased margins per tonne of marine fuel oil sold in an industry where many market players lost progress.

External expenses

Strengthened US dollar against most other currencies

Investments in IT technology and new hires to Bunker Holding triggered an increase in external expenses. However, the biggest impact to our expenses was a weakened US dollar that influenced costs in most local currencies to show an increase when reported in US dollar.

GROSS PROFIT

2017/18

222

USD MILLION

EARNINGS BEFORE TAX

2017/18

40

USD MILLION

EQUITY

2017/18

254

USD MILLION

Earnings

Earnings before tax progressed as anticipated

Earnings before tax improved by 16% to USD 40.2 million from USD 34.6 million in the previous year. The positive development was in line with our expectations and is regarded as satisfactory not least considering the market we operate in.

Current assets

Decreasing working capital

A significant increase in the oil price from previous years combined with a higher activity level made trade receivables increase. However, it is noteworthy to mention that our net working capital has decreased over the year due to a large increase in current liabilities.

Borrowings and free cash flow

Positive cash flow from operating activities

Notwithstanding increasing oil prices during the year, Bunker Holding generated a positive net cash flow of USD 81 million. This is mainly a result of a positive cash flow from operating activities of USD 126 million in combination with short-term borrowings maintained at the same level.

Equity

Maintained strong equity base

Equity was maintained at the same robust level and made up USD 253.8 million. Due to efficient working capital management, the solvency ratio was maintained at a high level despite the increasing business activity and increasing oil prices.

Employees

More highly skilled and dedicated employees

During the year we saw a stable number of employees. This means that we have managed to do more with the same number of people through improved efficiency, IT systems and re-allocation of resources.

Expectations for the new year

Looking ahead for continued growth

We expect to improve our result slightly for the financial year 2018/19. We have seen improved market conditions with positive developments in some segments of the shipping industry. Combined with the effect of our strategic initiatives, we believe that we can maintain the current momentum.

We are a leading bunker supplier providing bunkering by truck, ex-pipe and by barge.

KEY FIGURES AND FINANCIAL RATIOS

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

USD'000	**2017/18**	2016/17	2015/16	2014/15*	2013/14*
Income statement					
Revenue	8,152,520	6,459,080	5,645,263	8,370,200	10,911,596
Gross profit	221,526	206,937	219,010	248,494	209,089
Earnings before interest and tax (EBIT)	50,264	40,699	65,289	82,319	69,897
Earnings before tax (EBT)	40,161	34,648	59,157	**91,198	63,293
Earnings after tax (EAT)	30,612	27,299	46,920	**68,108	52,277
Balance Sheet					
Total assets	1,282,282	1,046,787	756,852	895,206	1,176,541
Total equity	253,757	252,953	268,516	295,223	258,437
Cash Flow Statement					
Cash flows from operating activities	125,827	-109,012	39,646	138,893	45,728
Cash flows from investing activities	-11,956	-6,850	-23,377	-7,197	-10,143
Cash flows from financing activities	-32,703	-44,374	-70,507	-28,973	-19,673
Change in cash and cash equivalents	81,168	-160,236	-54,238	102,723	15,913
Financial ratios					
Gross margin	2.7%	3.2%	3.9%	3.0%	1.9%
Profit margin	0.6%	0.6%	1.2%	1.0%	0.6%
Return on equity	12.1%	10.5%	16.6%	24.6%	21.7%
Liquidity ratio	1.19	1.26	1.47	1.44	1.25
Solvency ratio	19.8%	24.2%	35.5%	33.0%	22.0%
Number of employees	631	630	653	625	539

* Danish GAAP
** Includes a non-recurring financial income of USD 12,800k before tax (USD 10,600k after tax) from a legal case.

The ratios have been prepared in accordance with the definitions set out in note 16 to the Financial Statements.

STORY

WELCOMING 2020 - READY TO NAVIGATE CHANGE

– COOPERATION IS KEY FOR POST 2020 BUNKER MARKET

Now, the bunker industry is holding its breath and trying to prepare in due time for the prognosed changes in the industry pending 2020. That year the industry will see fundamental changes to many of the usual factors characterising the bunker industry due to the new sulphur requirements from 2020 and onwards. Over the next decades, the shipping industry may transform from fuel oil to other greener solutions like distillates, LNG or others. In the meantime, a changing selection of oil products will dominate the market. But which product composition, quality, availability and not least pricing is uncertain so the agenda of the well-known is gone and a whole new set of rules are waiting in the aisle.

A cap that will rock the whole industry
In October 2016 the IMO ratified that from 2020 and onwards, the present 3.5% global sulphur cap on bunker fuel will be lowered to just 0.5%. Everybody in the industry is now discussing the sulphur limit on marine fuel - one of the very tangible rules of 2020. Compliance with the new fuel specification will entail significant costs for both the refining and the shipping industries. For the refining industry, the regulation means that the industry will have to shift its product mix and provide an increasing supply of low-sulphur bunker fuels. And how the shipping industry adapts will influence refiners. The sulphur limit is a cap that will undoubtedly rock the entire shipping industry. The great majority states that the sulphur cap will rock the boat, so to speak. And the way to get there – to meet the demand and be ready for January 2020 - may turn out to be a long and bumpy ride for the weaker players in the bunker industry, but not for Bunker Holding. We know when it's time to do things differently. And we are taking the required steps to make sure we are ready and can leverage our unique position in the supply chain.

WHY IS 2020 AN IMPORTANT YEAR FOR THE SHIPPING INDUSTRY?

The International Maritime Organisation (IMO) has decided to bring in a sharp cut in marine fuel sulphur limits from 1 January 2020. The sulphur limits for bunker fuels worldwide must be cut from 3.5% to 0.5%. This is a major change in fuel consumption habits. Vessel owners must shift to other products or install scrubbers to cope with the emission control cap.

WHAT DOES 2020 REQUIRE?

- Financial robustness
- Expertise by industry professionals
- Profound understanding of supply and demand patterns
- Strong business partnerships
- Action-minded management – diversify from the "wait and see" approach

TACKLING 2020

We acknowledge the many changes in 2020 but we feel ready and prepared to sail smoothly in troubled waters.

"WE ARE VERY MUCH AWARE THAT THERE ARE COUNTLESS ISSUES TO CONSIDER BEFORE 2020, BUT WE FEEL READY AND PREPARED TO NAVIGATE ANY KIND OF CHANGE. EASY FOR US TO SAY... IT IS, NEVERTHELESS, THE HONEST TRUTH"

Christoffer Berg Lassen
Group CCO, Bunker Holding.

The right tools in the toolkit

Bunker Holding is among the optimistic players who claim that the regulations of the environmental impacts of shipping are a positive move for the market. We are preparing ourselves for the supply issues, the need for additional financing etc. and are of the clear conviction that every department in the organisation is mature and will have the right tools in the toolkit entering the new era.

The role as the trusted advisor

For a fuel supplier it is important, now more than ever, to have good knowledge of the parameters determining supply and demand on the global bunker market. Detailed knowledge about the diversified qualities is king. Having a fruitful dialogue with the producers and customers on various possibilities and opportunities makes the whole difference. Bunker Holding makes efforts to stand out having fruitful business partnerships and is already invited as a keynote speaker on conferences providing the bunker industry with valuable expert knowledge. We aim to safely guide customers through the transition to low-sulphur fuels and become a trusted advisor both as supplier or business partner.

History tracing 40 years back

With history tracing almost 40 years back, Bunker Holding is ready to navigate even heavy changes in the industry. 2020 is not the first obstacle for the industry and more will come. Therefore, Bunker Holding welcomes the 2020 changes and all that it implies in the value chain. The biggest and the financially strongest suppliers will become the winners when supply is expected to be a challenge and prices on bunkers will enviably rise.

Remaining a rock-solid partner

Right now, there is an increasing polarity between the large global bunker companies and the smaller, the in-between companies, and finally geographically niche companies. The latter will survive but will need to enter into joint ventures with larger businesses. For the in-between companies, life will be even more tough in 2020. Some market observers predict fuel costs to increase as much as 50%. Suppliers tend to rely on financially strong partners. Bunker Holding stands out as a large global bunker company and a financially rock-solid partner that is now ready to take industry leadership.

Are the expected 2020 changes in reality the perfect storm or will the changes just rock the boat? Yes and no. Rocking the boat and even storms are just fine. We have the greatest experience sailing in troubled waters.

THE SHIPPING INDUSTRY WILL MOST PROBABLY ADOPT TO AND COPE WITH THE EMISSION DEMANDS IN THREE DIFFERENT WAYS:

1. The ship operators will purchase compliant bunker products i.e. switch to VLSFO (sulphur content of max 0.5%) and/or distillates.

2. The ship operators will install on-board exhaust gas cleaning systems, known as scrubbers. They remove sulphur dioxide emissions from the exhaust and allow shippers to continue burning high-sulphur fuel oil.

3. The ship operators will make vessel modifications and switch to alternative products such as liquefied natural gas (LNG).

LOCAL EXPERTISE
– GLOBAL COVERAGE

Our global organisation consists of 56 offices and 653 dedicated and performance-oriented employees that are highly skilled and service-minded by nature. Bunker Holding counts more than 50 nationalities working in and out of time zones in our pan-global footprint to make supply and demand meet, making the best possible business deals for our customers. Oil is the engine of our business while our trading capabilities enable us to offer a wide selection of flexible and value-adding services. Our agile staff members are the ones delivering it.


Bunker Holding counts more than 50 nationalities worldwide.

BUNKER HOLDING AROUND THE WORLD

AMERICAS
13 offices

EUROPE
29 offices

ASIA
14 offices

STORY

INTRODUCING BUNKER ONE, PHYSICAL

– THE NEW VISIONARY MOVE OF BUNKER HOLDING

Joining forces under one brand
Having a true passion and profound understanding of the bunker industry must inevitably drive the right decision-making. Combining it with a new, already promising strategy, the genesis of Bunker One, Physical was found. If Bunker Holding was to grow and serve its customers even better, the company needed to look back in the value chain and investigate the field of physical supply greater in depth.

Unity is better
The great insight arising in the wake of the analyses was that unity is better. The new visionary move of Bunker One, Physical is now a reality. Bunker Holding's physical supply business has joined forces under one single brand with Global Director, Mr. Peter Zachariassen, at the helm. The entire team behind Bunker One, Physical possess a unique expertise and knowledge, knowing the true DNA of supplying marine fuels, lubricants, related products and services for vessels worldwide. Bunker One, Physical has already built strong business partnerships on unique local insights. Profound global coverage based on a long history of the various companies is behind the brand.

Oil suppliers at heart
Stemming from one of the oldest shipping companies in the world, Bunker One has rapidly developed into a respected physical supplier and advisor. Thanks to our global footprint, Bunker One provides bunker supply in almost any corner of the world focusing on niche ports, 24/7 covering all regions: North America, South America, EMEA and Asia. Bunker One combines physical supply capabilities with an international reselling platform to guarantee optimum supply solutions, knowing how important quality, safety and compliance are to our customers. Our teams constantly go the extra mile to push transparency and compliance in the industry to become the most preferred business partner.

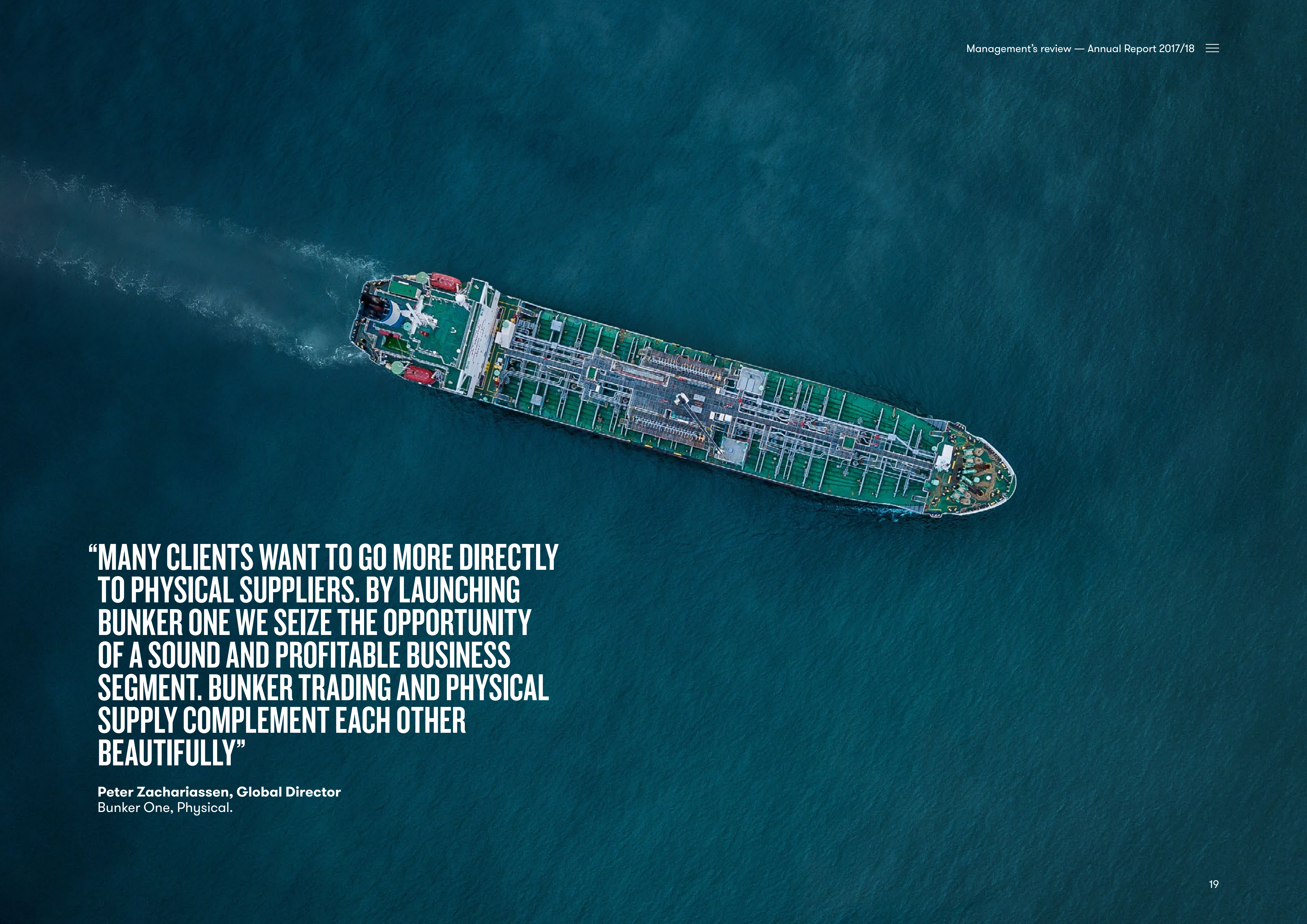
Making bunkering easy, straightforward and transparent
The most important business target and service goal of Bunker One is to adapt to customer demands making bunkering easy, straightforward and transparent to the benefit of the customers. Industry professionals and customers already return with a very positive evaluation of our new united entity.

A trusted advisor for 2020
The bunker industry already benefits from our broad expertise and strong competences giving thorough and valuable advice on how to meet future demands for the IMO's global sulphur cap in 2020. We cherish the compliment of our high ability to create business value.

The physical position will be expanded organically and grow over time, but already now Bunker One has a great many pins on the map when it comes to physical supply locations. Should the right opportunity show up to complement our global supply strategy, we will, however, be ready for acquisitions. Expect to see steady growth driven by opportunity, not necessity.

AGILITY IS KING

Each market is unique. Our capability to provide our customers with a wide range of products and at the same time being asset light makes it easier to scale our business up and down.



"MANY CLIENTS WANT TO GO MORE DIRECTLY TO PHYSICAL SUPPLIERS. BY LAUNCHING BUNKER ONE WE SEIZE THE OPPORTUNITY OF A SOUND AND PROFITABLE BUSINESS SEGMENT. BUNKER TRADING AND PHYSICAL SUPPLY COMPLEMENT EACH OTHER BEAUTIFULLY"

Peter Zachariassen, Global Director
Bunker One, Physical.

Embracing the digital age. From left: Michael Vang Hjort and Sheila Maria Ditlevsen, Group IT, Bunker Holding.

DIGITAL DEVELOPMENT

– IT AGILITY

We prioritise the integration of digital technologies to embrace the age of digitalisation. We know that the development of digital competences is key in future bunker trading. In our industry, digitalisation is not a move of disruption but instead digitalisation acts as both an enabler and accelerator in our growth strategies. Therefore, Bunker Holding is increasingly assessing and engaging with new digital platforms, technologies and tools that enhance our operational efficiency, competitiveness and customer satisfaction. IT excellence supports core workflows in our organisation and is simply a way of getting the basics right to meet the challenges of tomorrow. We make a point of predicting and setting IT standards and processes so they go hand in hand and create a strong alliance between the commercial side of our business and IT to achieve business goals. Besides, having a secure IT system is a must to ensure customer data security towards the increasing threat of cybercrime on a global scale.

STORY

MANAGING RISK WITH GREAT CONFIDENCE

—ON MARKETS CHARACTERISED BY VOLATILITY

Whether the price peaks or plunges, we eliminate risks
Any bunker company must possess profound capabilities of managing risk and volatility especially when the bunker industry is subjected to imbalances between supply of and demand for marine fuel. For years, Bunker Holding has been a recognised expert in managing risk due to its high ability to mitigate the price risk when dealing in oil. Knowing potential risks and mitigating them is a genuine part of our DNA and is a must in the way Bunker Holding conducts business.

Trading activities are the engine of our business
Trading activities are the engine of our business and the fact that we mainly do back-to-back trading minimises market risk. For inventories or if transactions are made non back-to-back these are hedged separately. When other bunker companies take chances and may fail under the ultimate stress test when prices on crude oil plunge in an extremely short time, Bunker Holding steer through the storm to a safe haven. So, it has been since the beginning and so it will continue.

This is also why position taking is not part of the earnings in Bunker Holding. When we present a fixed price to our customers, the risk is hedged against the market so that we do not take any risk upon us in case the price peaks or plunges. Hereby we play safe in any customer relation. Every time. All the time.

Bunker Holding plays safe in credit risk management
Due to our strong presence in the market, we have extensive market intelligence and observations and make advanced use of market data in predicting credit risk. Our customer portfolio is extremely broad and hence spread over different sectors in various regions.

We always invest the necessary energy in assessing credit risk by means of our market knowledge gathered through credit teams covering all time zones 24/7.

Significant investments in IT security to protect systems and data
Over recent years, we have made significant investments in IT security that effectively protect systems and data. We have in particular upgraded the IT infrastructure between all our offices, significantly ensuring the highest standards within customer data security. A new credit management system is already launched and an updated credit rating system is in the pipeline. The future is entirely digital and the steps in IT is to plan, build and run.

License as an investment firm
Hedging of oil prices takes place centrally by means of a specialised business unit named Global Risk Management. This specific unit of our Group has on 3 January 2018 obtained a license as investment firm with the Danish Financial Supervisory Authority (FSA). So now the company is accredited as a MiFID II compliant financial entity.

This accreditation underlines that Global Risk Management has obtained a level of excellency in monitoring and managing risk in the bunker industry. An accreditation implies a comprehensive and continuous control meaning that Global Risk Management must live up to the highest standards of financial risk management and capital resources.

EXCELLENCE IN MONITORING AND MANAGING RISK IN THE BUNKER INDUSTRY

Our specialised business unit handling oil price risk management has recently obtained a license as investment firm with the Danish Financial Supervisory Authority (FSA).

OUR RISK AREAS

CREDIT

All customers and other business partners are credit rated regularly and thorough internal procedures are in place to minimise the credit risks. The international conventions for obtaining maritime liens for bunker deliveries mitigate the negative impact from defaulting payers.

In addition, the Group insures credit risk on certain receivables where considered adequate due to the creditworthiness of the counterparty or the size of the credit exposure.

MARKET

The major bulk of the Group's trading activities is back-to-back trading of bunker products with delivery on short notice, where sales and purchases are made simultaneously. This eliminates the oil price risk as there are no open positions in such transactions.

When the Group enters into fixed-price agreements with customers for delivery of bunker products on future dates, the oil price exposure of such contracts is always hedged to mitigate any oil price risk that may arise.

The Group possesses stocks of oil. The oil price risk arising from these inventories is mitigated by entering into hedge agreements and only a small risk is allowed for each company involved in physical activities - this risk is allowed for operational reasons.

Market risk also consists of currency risk, interest rate risk and liquidity risk. Please consult note 11.

OPERATION

Risks relating to inadequate or failed internal processes, people and systems. These risks are mitigated through management involvement, well established internal control procedures, a high level of IT security and supported by internal education and employee compliance training.

"OUR TARGET IS TO BE WORLD CHAMPIONS IN MONITORING OUR BUSINESS. WE PLAY SAFE. EVERY TIME. ALL THE TIME"

Jesper Klokker Hansen
Group CFO, Bunker Holding.

Knowing potential risks and mitigating them is a genuine part of our DNA. From left: Jesper Klokker Hansen, Group CFO and Lasse Højgaard, Group Credit Director, Bunker Holding.

STORY

FUELLING SUCCESS FOR GENERATIONS AHEAD

– STARTING THE WAY WE MEAN TO GO ON

READY TO PASS ON THE CROWN

Mia Østergaard Nielsen sits on Bunker Holding's Board of Directors. Nina Østergaard Borris also works for Bunker Holding and sits on the board of our parent company USTC.

If you're in bunkering, you'll know him. And if you know him, you'll definitely respect him. He's the grand old man of bunker trading. The visionary who started it all back in the early 1980s. Torben Østergaard-Nielsen.

Never one to rest on his laurels, he's still blazing new trails. Today, he's paving the way for the next generation to take the helm of Bunker Holding – preparing his family to confidently build on a proud and proven history of bunkering prowess.

Navigating the future as a family
It's not surprising that Torben's journey is the stuff of bunker-trading legend. His great idea – to monitor the markets on a daily basis to secure the lowest prices for customers – was born at precisely the right moment in time. His innovation has evolved, over decades of tireless work, into a business that not only provides the best in quality and service, it packs real financial might.

Little wonder he wants to uphold these achievements, and ensure Bunker Holding, and all the company stands for, keeps moving forward. To be where people need us, whenever they need us. To do whatever it takes to improve their ability to journey at sea. Living by these values has earned us an industry-wide reputation as a rock-solid partner people can trust. A family that people can trust.

Being privately owned is one of the things that sets us apart in bunkering. It's what gives our customers the most value, we believe. Something we plan to keep offering in an increasingly challenging market, by keeping the company in family hands.

In the footsteps of a fearless father
But our grand old man isn't considering stepping aside any time soon. When he does, the future is waiting in the wings. Torben's daughters Nina Østergaard Borris and Mia Østergaard Nielsen already play an active role in the company, and are poised to pick up the banner from their ambitious father.

Working hand in hand with our expert management team, they're committed to the same purpose we've always had: to be a progressive energy trading company that simply and seamlessly connects producers, suppliers and customers across the world.

Our family stability is the key to keeping us on course for generations to come – as a leader in global bunkering.

The future? Steady as she goes.

"HANDING OVER THE REINS IN A FAMILY BUSINESS TAKES TIME AND PLANNING. WHEN THAT DAY COMES, WE'RE PREPARED"

Torben Østergaard-Nielsen
Chairman and owner, Bunker Holding.

From left: Nina Østergaard Borris, Mia Østergaard Nielsen and Torben Østergaard-Nielsen, the owner family.

SUPPORTING GLOBAL ACCOUNTS

We strive to develop long term sustained business relationships by utilising the combined strengths and vast experience that Bunker Holding Group has achieved over the last 4 decades. Our team dealing with global accounts consist of key account relationship managers that know shipping like the backs of their own hands. Bunker Holding's industry professionals focus on the key business areas that matter most to our clients' business. A reliable and robust supply chain on a global and local level creates a balanced portfolio of own physical, specialised supply centers and reselling hotspots. This is what sound business relationships and supply security is all about.

Bunker Holding's industry professionals focus on the key business areas that matter most to our clients' business.

COMPLIANCE

The Group has taken steps to ensure that we have the adequate procedures to prevent fraudulent behaviour among individuals within the Group or persons associated with the Group. We ensure that everyone in the company – board members, managers, employees – each possesses a general understanding of competition and anti-corruption laws. This is achieved through specific programmes on the subjects, including manuals, recurring training, and the staff's mandatory annual completion of compliance e-learning. At the same time, our activities are subject to several strict anti-corruption laws: The Danish Criminal Code, the UK Bribery Act, and the US foreign Corrupt Practices Act.

On top of this, a representative of Bunker Holding is chairman of the Ethics Committee of The International Bunker Industry Association (IBIA) and also plays an active role in the Maritime Anti-Corruption Network (MACN) working towards the vision of a maritime industry free of corruption.

Bunker Holding manages its risk responsibly and regards it as an imperative that the Group complies with all applicable rules and legislation in each country in which we operate. We see compliance as legally and ethically impeccable conduct by all employees in their daily work because the way they carry out their duties affects our company's reputation. This includes observing all international trade sanctions. The Group is regarded as one of the most compliant companies in our industry, and we constantly work to safeguard this reputation by updating systems and procedures to make all information on sanctions as easily accessible to all employees as possible.

Personal data protection is an increasingly important focus area. Legislation and regulations are being rolled out worldwide also in the EU and Denmark to ensure that companies are in compliance with ever stricter requirements on protection of personal data. In Denmark, new legislation has entailed requirements for internal training, preparation of policies and guidelines as well as risk and impact assessments.

Bunker Holding is unreservedly committed to compliance and works proactively with these and related matters to remain best-in-class and at the forefront of new regulations.

CORPORATE SOCIAL RESPONSIBILITY

CF. SECTION 99A OF THE DANISH FINANCIAL STATEMENTS ACT

Bunker Holding perceives Corporate Social Responsibility as a necessity to reduce negative and increase positive impacts on the individual, society and environment.

Health and Safety
We focus on continuously enhancing the health and safety of our employees as well as our premises on a global scale to be up to date on safety requirements and best practices.

Staff development
Bunker Holding is a people's business, and the dedication and expertise of our staff are one of our greatest assets. Bunker Holding strives to create an engaging workplace and optimal working conditions for our staff giving due consideration to diversity, health and safety and staff development. Staff development is a key element in future growth and retention. In the financial year employees from our global workforce attended more than 10,000 hours of internal training either locally,

COMMUNITY ENGAGEMENT

Each single business unit in Bunker Holding in our global set-up has the will to be engaged and support local charity and humanitarian events that create value and make a difference in their local community. The following are just highlights that demonstrate our engagement:

Kenya - Project Cheptigit
Funding a primary school in Kenya to build twelve new classrooms plus a kitchen additionally improving sanitary conditions and giving access to electricity.

Denmark - Danmarksindsamlingen
Supporting one of the largest fundraising events in Denmark. In 2018 the aid went to homeless children.

Greece - Elleona Refugee Camp
Donation for the acquisition of dental clinic equipment for the refugee camp in Piraeus hosting primarily Syrian refugees.

China - Ebeneezer School
Supporting tools and equipment for visually impaired children.

In your Shoes Campaign comprising:

Srothus Charity
Raising funds for kidney dialysis aid to the needy in Kerala.

India - Palms Care Foundation
Providing aid for poor and orphaned children.

Norway - Incestsenteret
Donation for the incest centre that gives aid to victims of sexual abuse and families of victims.

USA - Palm Beach Country Food Bank
Supporting local hunger relief system.

Brazil - Casa de Apoio A Crianca Cancer
Providing quality care to children and adolescents with cancer, sickle cell disease, thalassemia and other non-contagious blood diseases.

United Arab Emirates - Rashid Hospital for the Disabled
Providing high quality education services and therapies for children with special needs.

United Kingdom - Mind, Mental Health Charity
Raising money for people struggling with mental health issues.

"WE BELIEVE IT IS NOT JUST A GREAT ADVANTAGE TO HAVE EMPLOYEES WITH DIFFERENT CULTURAL BACKGROUNDS AND NATIONALITIES EMPLOYED. IT IS AN ABSOLUTE MUST"

Alexander A. Jaffe
Group Director HR & Communications, Bunker Holding.

internationally or in our internal academy at the global headquarters in Middelfart, Denmark. Additionally, employees also participate in e-learning programmes.

During the financial year, Bunker Holding has launched its new, ambitious talent programme named The Accelerator Programme (TAP). We aim at creating and constantly maintaining a strong pipeline of talents that are ready to take on new, exciting opportunities and responsibilities in our company.

Environment
Bunker Holding acknowledges the influence of the climate changes, along with the role that transportation and energy play in assisting people traveling and goods being transported by sea. A key role for society and for us is to combine knowledge on how to have the lowest impact on nature and at the same time facilitate man's ability to journey at sea. A particularly important area of focus is the prevention of oil spills. We have a constant focus on finding new ways of improving our operational and

environmental performance with the 2020 sulphur cap just around the corner.

Human rights
Bunker Holding has the responsibility and is committed to respect human rights. We do not tolerate any kind of discrimination be it on the ground of nationality, gender, religion, skin colour or sexual orientation.

The Group celebrates diversity, and we actively seek to be a workplace with a multitude of different cultural backgrounds in our staff composition and at our management levels. As of 30 April 2018, the Group employed more than 50 nationalities.

THE WILL TO MAKE A DIFFERENCE

Every single day we work to provide an atmosphere where all staff members feel included, appreciated and valued.

GENDER COMPOSITION

Cf. section 99b of the Danish Financial Statement Act

Targets for the under-represented gender on the Board of Directors
Bunker Holding's Board of Directors is the supreme management board in the company. In January 2018, a new female member was admitted to the board meaning that the gender composition of the Board of Directors changed for 2017/18. Today, Bunker Holding's Board of Directors consists of eight board members. Seven male and one female.

As for now the percentage of female board members elected by the shareholder's committee is 12.5%. The target for the female gender is 20% for 2019 and 35% for 2020.

As for the subsidiaries A/S Dan-Bunkering Ltd, A/S Global Risk Management Ltd, A/S Global Risk Management Ltd. Fondsmæglerselskab, KPI Bridge Oil A/S and Unioil Supply A/S, there are no female members in the Board of Directors and the targets for 2019 and 2020 are the same as for Bunker Holding A/S. The gender composition in the Board of Directors of the subsidiaries did not change in 2017/18.

Bunker Holding will strive to ensure that the under-represented gender is represented on the list of candidates in the future. We do, however, reserve the right to select the most qualified candidate irrespective of his or her gender.

Policy for the under-represented gender at other management levels
Bunker Holding believes in creating an open and inclusive business culture where every employee thrives best way possible. Talent is more diverse than ever before, and an inclusive work environment is key to innovation, continuous improvement and retention of talent. Every single day we work to provide an atmosphere where all staff members feel included, appreciated and valued.

LOCAL COMMUNITY ENGAGEMENT AND SUPPORT

We have the will to be engaged and support local charity and humanitarian events that create value and make a difference in their local community.

Our policy is clear as all employees irrespective of nationality, gender, religion, skin colour or sexual orientation must have the exact same and equal career and management opportunities. This philosophy is supported by our open-minded, unprejudiced culture which allows each individual employee to make the best possible use of his/her skills.

The industry in which we operate is characterised by a high degree of multiplicity, and so is Bunker Holding. A diverse and inclusive workplace is attractive to both our business partners, suppliers as well as customers. At the same time, our diversity reflects the countries in which we operate. We believe it is not just a great advantage to have employees with different cultural backgrounds and nationalities employed. It is an absolute must.

We have a mobilty programme ensuring our employees with the best competencies are always hired for the right positions irrespective of nationality, gender, religion, skin colour or sexual orientation.

BOARD OF DIRECTORS

From left: Peter Frederiksen, Torben Janholt, Klaus Nyborg, Mia Østergaard Nielsen, Peter Korsholm, Torben Østergaard-Nielsen, Michael Keldsen and Morten H. Buchgreitz.

BOARD OF DIRECTORS

Torben Østergaard-Nielsen
Chairman and owner

Born in 1954.
Board member since 1994. CEO, founder and owner of the USTC Group (A/S United Shipping & Trading Company).

Special competences
Extensive background and global experience within the shipping industry.

Other directorships
Chairman and member of the boards in most USTC Group companies. Member of the boards in FAYARD Holding A/S, Fiberline Composites A/S, H.J. Hansen Holding A/S, Gottfred Petersen Holding A/S and Selected Car Leasing A/S. Chairman of the board in Middelfart Bycenter A/S.

Other
German Honorary Consul since 1988, member of Corps Consulaire since 1988. Member of Nykredit Regionsråd and member of Danske Bank Erhvervsråd.

Klaus Nyborg
Vice Chairman

Born in 1963.
Board member since 2012 and Vice Chairman since 2014. Professional board member and investor.

Special competences
Global experience with management of listed shipping companies incl. CEO of Pacific Basin Shipping, Hong Kong. Strategic and financial expertise as well as in-depth knowledge of risk management.

Other directorships
Chairman of the boards in Norden A/S, Bawat A/S and Dliver Group ApS. Vice Chairman of the board in Uni-Tankers A/S. Member of the boards in Odfjell SE, Karen og Poul F. Hansens Familiefond, X- Press Feeders Ltd. and DFDS A/S.

Education
MSc in Business and Law, Copenhagen Business School supplemented by management courses at London Business School and IMD.

Morten H. Buchgreitz
Board member

Born in 1967.
Board member since 2014. Member of the Group Executive Management of Ørsted A/S (Distribution and Customer Solutions).

Special competences
Extensive and in-depth knowledge and experience with economics and finance, including credit and risk management.

Other directorships
Chairman and member of the boards in several Ørsted Group companies. Vice Chairman of the board in Danish Energy Association. Member of the board in Uni-Tankers A/S.

Education
MSc in Business Administration and Computer Science.

Peter Frederiksen
Board member

Born in 1963.
Board member since 2012. Professional board member.

Special competences
Extensive experience within the shipping industry from leading global positions in liner shipping at A.P. Møller Mærsk for more than 25 years and Hamburg Süd for 9 years. Broad management and strategy skills as well as financial experience.

Other directorships
Chairman of the boards in Sund & Bælt Holding A/S, A/S Storebælt, A/S Øresund, Oeresundsbro Konsortiet, Femern A/S and A/S Femern Landanlæg. Member of the board in Uni-Tankers A/S.

Education
Shipping education at A.P. Møller Mærsk supplemented with management training at INSEAD and Cornell University.

Torben Janholt
Board member

Born in 1946.
Board member since 2010. CEO Pioneer Marine.

Special competences
Extensive background and global experience within the shipping industry, primarily through his 28 years with J. Lauritzen A/S, the last 14 years as CEO, and as chairman of the Danish Shipowners' Association from 2005-2009.

Other directorships
Chairman of the board in Otto Suenson A/S. Member of the boards in Uni-Tankers A/S, Torm A/S and Pioneer Marine Pty.

Education
Bachelor of Commerce supplemented with executive management training at IMD and IESE.

Michael Keldsen
Board member

Born in 1950.
Board member since 1991.
Chairman of the board from 2004-2014. Of Counsel, Gorrissen Federspiel law firm.

Special competences
In-depth knowledge and experience within corporate and foundation/trust law as well as mergers and acquisitions and shipbuilding contracts.

Other directorships
Member of the boards in Uni-Tankers A/S, SDK A/S, Iron Pump A/S, Nemco Machinery A/S, Autronica Fire & Security A/S, Stanley Nordic Aps and Better CPH A/S.

Education
LL.M. (Master of Law), Copenhagen.

Peter Korsholm
Board member

Born in 1971.
Board member since 2014.
Professional board member and investor.

Special competences
Extensive experience from private equity and developing international companies, as well as mergers and acquisitions, financing and management of financial risks.

Other directorships
Chairman of the boards in Lomax A/S, GDL Transport AB, Nymølle Stenindustrier A/S and the Investment Committee of Zoscales Partners. Member of the boards in Uni-Tankers A/S, DSV Invest A/S and certain subsidiaries, Bones Restauranter A/S and Ørsted A/S.

Education
MBA from INSEAD, MSc from London School of Economics, BA from University of Copenhagen.

Mia Østergaard Nielsen
Board member

Born in 1989.
Board member since 2018.
Analyst, Spencer Stuart

Special competences
Executive search and leadership development. Sparring partner for large Cap and PE owned companies on finding executives for leadership positions as well as board advisory and succession planning.

Education
MSc in Human Resource Management.

"WITH A LEADING POSITION COMES RESPONSIBILITY. OUR FINANCIAL STRENGTH ALLOWS US TO REMAIN A FORCEFUL PLAYER IN THE BUNKER INDUSTRY ALSO IN THE FUTURE"

TORBEN ØSTERGAARD-NIELSEN, CHAIRMAN AND OWNER

EXECUTIVE MANAGEMENT

From left: Christoffer Berg Lassen, Keld R. Demant and Jesper Klokker Hansen.

EXECUTIVE MANAGEMENT

Keld R. Demant
Group CEO

Born in 1966.
Joined Bunker Holding in 1998. Member of the Executive Board since 2004. Appointed Group CEO in 2013.

Special competences
Substantial experience from leading positions in international companies. Strong operational competences and extensive knowledge within strategic management and marketing as well as substantial management experience.

Other directorships
Chairman and member of the board in several Bunker Holding Group companies. Chairman of the board in Strib Idrætsefterskole. Member of the board in Tradepoint A/S.

Education
Management training at INSEAD supplemented by shipping training at Oxford University and Lorange Institute.

Jesper Klokker Hansen
Group CFO

Born in 1964.
Joined Bunker Holding in 2004 as member of the Executive Board and Group CFO.

Special competences
Strong experience and in-depth knowledge within financial management, funding, risk management, IT and strategy.

Other directorships
Member of the board in several Bunker Holding Group companies, FJ Industries A/S and TOGT Ejendomme A/S.

Education
Holds a Diploma in Business Administration and Economics supplemented by executive management training at INSEAD and Columbia Business School.

Christoffer Berg Lassen
Group CCO

Born 1984.
Joined Bunker Holding in 2004. Appointed Group CCO in 2018.

Special competences
Strong strategic and commercial experience of how to turn strategy into operational and commercial success. Profound knowledge of customer behaviour, value change optimisation and industry trends within the bunker industry.

Other directorships
Member of the board in several Bunker Holding Group companies and Voda A/S.

Education
Holds a degree from an International Business College supplemented by management training at INSEAD.

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

USD'000	Note	**2017/18**	2016/17
Revenue	1	8,152,520	6,459,080
Costs of goods sold		-7,930,994	-6,252,143
Gross Profit		**221,526**	**206,937**
Other operating income		660	244
Other external expenses	2	-163,716	-158,483
Depreciation, amortisation and impairment	6/7	-8,206	-7,999
Earnings before interest and tax (EBIT)		**50,264**	**40,699**
Share of profit/loss in associated companies	8	739	1,092
Financial income	3	9,854	7,788
Financial expenses	3	-20,696	-14,931
Earnings before tax (EBT)		**40,161**	**34,648**
Corporation tax	4	-9,549	-7,349
Earnings after tax (EAT)		**30,612**	**27,299**
Attributable to:			
Non-controlling interests		143	144
Shareholder in Bunker Holding A/S		30,469	27,155

STATEMENT OF COMPREHENSIVE INCOME

USD'000	Note	**2017/18**	2016/17
Profit for the year		**30,612**	**27,299**
Items that may be reclassified to Income Statement			
Fair value adjustment of derivative financial instruments		2,784	6,515
Exchange differences on translation of foreign operations		512	-1,672
Income tax relating to these items		-604	-1,705
Other comprehensive income		**2,692**	**3,138**
Total comprehensive income		**33,304**	**30,437**
Attributable to:			
Non-controlling interests		169	95
Shareholder in Bunker Holding A/S		33,135	30,342

STATEMENT OF FINANCIAL POSITION

USD'000	Note	2017/18	2016/17
Non-current assets			
Intangible assets	6	36,322	28,474
Property, plant and equipment	7	20,502	17,163
Investments in associates	8	3,717	2,971
Receivables		16	15
Deferred tax	4	9,316	6,348
Total non-current assets		**69,873**	**54,971**
Current assets			
Inventories		100,339	99,071
Trade receivables	11	872,841	779,193
Tax receivables		6,301	2,663
Other receivables		40,577	36,041
Derivatives	9	72,033	36,766
Cash and cash equivalents		120,318	38,082
Total current assets		**1,212,409**	**991,816**
Assets		**1,282,282**	**1,046,787**

USD'000	Note	2017/18	2016/17
Equity			
Share capital		1,781	1,781
Reserves		6,700	3,473
Retained earnings		244,661	247,253
Equity, Shareholders		**253,142**	**252,507**
Non-controlling interests		615	446
Equity	12	**253,757**	**252,953**
Non-current liabilities			
Borrowings	11	5,598	5,539
Deferred tax	4	3,906	2,722
Total non-current liabilities		**9,504**	**8,261**
Current liabilities			
Borrowings	11	318,643	317,575
Trade payables		536,660	394,760
Corporation tax		10,804	11,527
Derivatives	9	115,035	28,264
Other payables		37,879	33,447
Total current liabilities		**1,019,021**	**785,573**
Total liabilities		**1,028,525**	**793,834**
Total equity and liabilities		**1,282,282**	**1,046,787**

STATEMENT OF CHANGES IN EQUITY

USD'000	Share capital	Hedging reserve	Foreign currency translation reserve	Reserve for other equity investment	Retained earnings	**Equity attributable to owners**	Non-controlling interests	**Total equity**
2017/18								
Equity at 1 May	1,781	3,898	-3,296	2,667	247,457	252,507	446	252,953
Earnings after tax (EAT)	0	0	0	739	29,730	30,469	143	30,612
Other comprehensive income net of tax	0	2,180	512	0	-26	2,666	26	2,692
Total comprehensive income for the year	**0**	**2,180**	**512**	**739**	**29,704**	**33,135**	**169**	**33,304**
Dividends to shareholders	0	0	0	0	-32,500	-32,500	0	-32,500
Total transactions with shareholders	**0**	**0**	**0**	**0**	**-32,500**	**-32,500**	**0**	**-32,500**
Equity at 30 April	**1,781**	**6,078**	**-2,784**	**3,406**	**244,661**	**253,142**	**615**	**253,757**
2016/17								
Equity at 1 May	1,781	-912	-1,624	1,551	267,369	268,165	351	268,516
Earnings after tax (EAT)	0	0	0	1,092	26,063	27,155	144	27,299
Other comprehensive income net of tax	0	4,810	-1,468	24	-179	3,187	-49	3,138
Total comprehensive income for the year	**0**	**4,810**	**-1,468**	**1,116**	**25,884**	**30,342**	**95**	**30,437**
Dividends to shareholders	0	0	0	0	-46,000	-46,000	0	-46,000
Total transactions with shareholders	**0**	**0**	**0**	**0**	**-46,000**	**-46,000**	**0**	**-46,000**
Equity at 30 April	**1,781**	**3,898**	**-3,092**	**2,667**	**247,253**	**252,507**	**446**	**252,953**

CASH FLOW STATEMENT

USD'000	2017/18	2016/17
Earnings before interest and tax (EBIT)	50,264	40,699
Amortisation and depreciation for the year	8,206	7,999
Changes in receivables	-139,500	-278,863
Changes in inventories	-1,268	-670
Changes in trade payables, other payables, etc	233,103	132,301
Cash flow from operating activities before financial items and tax	**150,805**	**-98,534**
Financial income received	9,854	7,788
Financial expenses paid	-20,696	-14,931
Corporation tax paid	-15,694	-5,410
Other adjustments	1,558	2,075
Cash flows from operating activities	**125,827**	**-109,012**
Business acquisition	-2,294	-2,741
Investment in associates	-7	-152
Purchase of intangible assets	-6,021	-2,817
Purchase of property, plant and equipment	-4,131	-1,562
Sale of property, plant and equipment	497	422
Cash flows from investing activities	**-11,956**	**-6,850**
Proceeds from borrowings	0	949
Repayment of borrowings	-503	-360
Dividend paid and sale of own shares	-32,500	-46,000
Dividend received from associates	300	1,037
Cash flows from financing activities	**-32,703**	**-44,374**
Change in cash and cash equivalents	**81,168**	**-160,236**

USD'000	2017/18	2016/17
Cash and cash equivalents at 1 May	-279,493	-119,257
Change in cash and cash equivalents	81,168	-160,236
Cash and cash equivalents at 30 April	**-198,325**	**-279,493**
Cash and cash equivalents	120,318	38,082
Borrowings	-318,643	-317,575
Cash and cash equivalents at 30 April	**-198,325**	**-279,493**

Bunkering is our business.
We are oil suppliers at heart.

CONTENTS

NOTES

NOTE 1 — REVENUE

USD'000	2017/18	2016/17
Sale of goods and services	8,132,460	6,438,707
Commodity derivatives	20,060	20,373
Total	**8,152,520**	**6,459,080**

NOTE 2 — OTHER EXTERNAL EXPENSES

Other external expenses consist of staff expenses, administration, bad and doubtful debt and credit risk protection etc.

USD'000	2017/18	2016/17
Staff expenses		
Wages and salaries	78,432	75,250
Pensions	3,652	4,027
Other social security expenses	4,742	4,032
Total	**86,826**	**83,309**
Number of employees	**631**	**630**

Calculated as annual full-time employees.

NOTE 3 — FINANCIAL INCOME AND EXPENSES

USD'000	2017/18	2016/17
Interest expenses on liabilities	-19,225	-13,177
Interest income on loans and receivables	8,400	6,767
Securities, capital losses	-772	-868
Net interest expenses	**-11,597**	**-7,278**
Net foreign exchange gains/losses	1,437	731
Fair value gains/loss from currency derivatives	-682	-596
Net fair value gains/losses	**755**	**135**
Financial expenses, Net	**-10,842**	**-7,143**
Of which:		
Financial income	9,854	7,788
Financial expenses	-20,696	-14,931

NOTE 4 — TAXES

USD'000	Income statement	Other comprehensive income	Total
2017/18			
Curent tax for the year	-11,286	-604	-11,890
Tax concerning previous years	-107	0	-107
Adjustment of deferred tax	1,844	0	1,844
Total tax for the year	**-9,549**	**-604**	**-10,153**
2016/17			
Curent tax for the year	-11,480	-1,705	-13,185
Tax concerning previous years	91	0	91
Adjustment of provision for deferred tax	4,040	0	4,040
Total tax for the year	**-7,349**	**-1,705**	**-9,054**

Reconciliation of tax expenses

USD'000	**2017/18**	2016/17
Earnings before tax	40,161	34,648
Share of profit/loss in associated companies	-739	-1,092
Other adjustments	3,053	2,541
Earnings before tax adjusted	**42,475**	**36,097**
Tax using the Danish corporation tax rate	-9,344	-7,941
Tax rate deviations in foreign jurisdictions	-465	1,347
Foreign tax	-167	-291
Adjustment to previous years' taxes	-107	91
Other difference, net	534	-555
Total Income tax	**-9,549**	**-7,349**

Deferred taxes

USD'000	**2017/18**	2016/17
Deferred tax at 1 May	3,626	-605
Foreign exchange adjustments	-60	185
Adjustment to previous years	0	6
Recognised in the income statment	1,844	4,040
Deferred tax at 30 April	**5,410**	**3,626**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	9,316	6,348
Deferred tax liabilities	-3,906	-2,722
Deferred tax at 30 April	**5,410**	**3,626**

Deferred tax assets including the tax base of tax loss carry forwards are recognised at the amount by which they are estimated to reduce future tax payments. Unused tax losses for which no deferred tax asset has been recognised amount to USD 0 in 2017/18 (2016/17: USD 996k) **Unrecognised tax** asset may be carried forward for a unlimited period of time, and it is uncertain whether the tax loss can be utilised.

The balance comprises temporary differences attributable to:

USD'000	Deferred tax assets		Deferred tax liabilities	
	2017/18	2016/17	**2017/18**	2016/17
Intangible assets	1,609	834	-1,542	-1,156
Property, plant and equipment	97	429	-882	-65
Other assets	1,098	530	-1,482	-1,494
Provisions	635	913	0	-7
Tax losses etc	5,877	3,642	0	0
Deferred tax at 30 April	**9,316**	**6,348**	**-3,906**	**-2,722**
Expected to be tilized as follows:				
Within 12 months	1,863	1,270	-781	-544
After 12 months	7,453	5,078	-3,125	-2,178
Total	**9,316**	**6,348**	**-3,906**	**-2,722**

NOTE 5 — BUSINESS COMBINATIONS

USD'000	Country	Acquired ownership	Acquisition date	Main activity
2017/18				
PSTV Energy DMCC	Dubai	100%	2 January 2018	Phycial bunker operations
2016/17				
Amoil (Pty) Ltd	South Africa	100%	1 August 2016	Bunker trading and mediation

In **2017/18** Bunker Holding Group gained control of PSTV Energy DMCC located in Dubai. There was a unique opportunity to acquire the company and strengthen Bunker Holdings's physical setup in the region.

The fair value has been determined in accordance with generally accepted discounted cash flow analysis, where significant inputs are the entity's earnings and the discount rate. This is a level 3 in the fair value hierarchy.

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

In **2016/17** Bunker Holding Group gained control of Amoil (Pty) Ltd located in South Africa. Bunker Holding Group is very strong in the area around Cape Town and west South Africa. With the acquisition of Amoil (Pty) this now also applies to Durban and eastern South Africa.

Acquisition-related costs of USD 128k that were not directly attributable to the issue of shares are included in other external expenses in the income statement and in cash flows from operating activities in the cash flow statement.

The fair value has been determined in accordance with generally accepted discounted cash flow analysis, where significant inputs are the entity's earnings and the discount rate. This is a level 3 in the fair value hierarchy.

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

Assets acquired and liabilities recognised at the date of acquistion:

USD'000	**2 January 2018**	1 August 2016
Non-current assets		
Intangible assets	2,000	3,093
Property, plant and equipment	0	77
Receivables	0	5
Current assets		
Trade receivables	0	6,088
Cash at bank and in hand	0	1.125
Equity	**0**	**-71**
Current Liabilities		
Trade payables	0	-5,426
Other liabilities	0	-1,799
Total allocation to net assets	**2,000**	**3,093**
Goodwill arising on acquistion	294	773
Total purchase price allocation	**2,294**	**3,866**
of which acquried cash and cash equivalents	0	-1,125
Total consideration	**2,294**	**2,741**

The acquired business contributed to the group with:

USD'000	**2 January 2018**	1 August 2016
Since date of acquistion		
Revenue	71,727	70,647
Earnings after tax (EAT)	401	-233
If acquired 1 of May:		
Revenue	71,727	95,768
Earnings after tax (EAT)	401	-224

NOTE 6 — INTANGIBLE ASSETS

USD'000	Goodwill	Patents, trademarks and other rights	IT development and software	Customer relationships	**Total**
2017/18					
Cost at 1 May	12,324	10,459	6,537	30,242	59,562
Exchange rate adjustment	0	0	152	0	152
Additions	0	6,048	6,021	0	12,069
Acquired in business combinations	294	500	0	1,500	2,294
Disposals	0	0	-1,148	0	-1,148
Cost at 30 April	**12,618**	**17,007**	**11,562**	**31,742**	**72,929**
Depreciation at 1 May	0	-8,921	-2,364	-19,803	-31,088
Exchange rate adjustment	0	0	-119	0	-119
Depreciation	0	-1,343	-1,297	-3,596	-6,236
Reversed depreciation of disposals	0	0	836	0	836
Impairment losses	0	0	0	0	0
Depreciation at 30 April	**0**	**-10,264**	**-2,944**	**-23,399**	**-36,607**
Carrying amount at 30 April	**12,618**	**6,743**	**8,618**	**8,343**	**36,322**
2016/17					
Cost at 1 May	11,551	9,686	3,808	27,922	52,967
Exchange rate adjustment	0	0	-71	0	-71
Additions	0	0	2,817	0	2,817
Acquired in business combinations	773	773	0	2,320	3,866
Disposals	0	0	-17	0	-17
Cost at 30 April	**12,324**	**10,459**	**6,537**	**30,242**	**59,562**
Depreciation at 1 May	0	-7,680	-1,355	-16,190	-25,225
Exchange rate adjustment	0	0	33	0	33
Depreciation	0	-1,241	-1,058	-3,613	-5,912
Impairment losses	0	0	16	0	16
Depreciation at 30 April	**0**	**-8,921**	**-2,364**	**-19,803**	**-31,088**
Carrying amount at 30 April	**12,324**	**1,538**	**4,173**	**10,439**	**28,474**

NOTE 6 — INTANGIBLE ASSETS (CONTINUED)

Goodwill on cash generating units

USD'000	2017/18	2016/17
LQM Petroleum Services LLC	5,569	5,569
Amoil (Pty) Ltd	773	773
Other	6,276	5,982
Carrying amount at 30 April	**12,618**	**12,324**

Impairment Test

Goodwill is monitored by management at CGU level.

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and forecasts approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

USD'000	2017/18	2016/17
Annual growth rate %	2.0%	2.0%
EBIT margin %	21% - 59%	25% - 55%
Discount rate	7.5% - 12.2%	7.8% - 10.4%

Management must determines the values assigned to each of the above key assumptions as follows:

Annual growth
This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

EBIT margin
This is weighted average EBIT margin defined as EBIT divided by gross profit. Based on past performance and management's expectations.

Discount rate
The discount rate is a WACC that reflects the risk free interest rate with the addition of a risk premium associated with the particular cash generating unit.

During the impairment tests we have concluded that there were no impairment losses for 2017/18 (2016/17: 0).

Management finds that no reasonable change in key assumptions upon which recoverable amount is based would lead to an impairment loss.

NOTE 7 — PROPERTY, PLANT AND EQUIPMENT

USD'000	Land and buildings	Leasehold improve-ments	Fixtures and fittings, tools and equipment	**Total**
2017/18				
Cost at 1 May	14,713	4,002	10,693	29,408
Exchange rate adjustment	1,476	82	207	1,765
Reclassification	0	0	0	0
Additions	884	709	2,538	4,131
Acquired in business combinations	0	0	0	0
Disposals	0	-604	-894	-1,498
Cost at 30 April	**17,073**	**4,189**	**12,544**	**33,806**
Depreciation at 1 May	-1,977	-2,092	-8,176	-12,245
Exchange rate adjustment	-198	-47	-157	-402
Depreciation	-341	-658	-971	-1,970
Reversed depreciation of disposals	0	579	734	1,313
Impairment losses	0	0	0	0
Depreciation at 30 April	**-2,516**	**-2,218**	**-8,570**	**-13,304**
Carrying amount at 30 April	**14,557**	**1,971**	**3,974**	**20,502**
Finance leases amounts	**0**	**0**	**0**	**0**

USD'000	Land and buildings	Leasehold improve-ments	Fixtures and fittings, tools and equipment	**Total**
2016/17				
Cost at 1 May	15,065	3,499	11,942	30,506
Exchange rate adjustment	-589	-94	-215	-898
Reclassification	0	708	-708	0
Additions	333	608	698	1,639
Acquired in business combinations	0	17	60	77
Disposals	-96	-736	-1,084	-1,916
Cost at 30 April	**14,713**	**4,002**	**10,693**	**29,408**
Depreciation at 1 May	-1,790	-1,694	-8,374	-11,858
Exchange rate adjustment	68	75	176	319
Depreciation	-276	-962	-849	-2,087
Reversed depreciation of disposals	21	489	871	1,381
Impairment losses	0	0	0	0
Depreciation at 30 April	**-1,977**	**-2,092**	**-8,176**	**-12,245**
Carrying amount at 30 April	**12,736**	**1,910**	**2,517**	**17,163**
Finance leases amounts	**0**	**0**	**0**	**0**

NOTE 8 — INVESTMENTS IN ASSOCIATES

USD'000	**2017/18**	2016/17
Cost at 1 May	304	152
Additions for the year	7	152
Cost at 30 April	**311**	**304**
Value adjustments at 1 May	2,667	1,551
Exchange rate adjustment	0	24
Share of profit for the year	739	1,092
Dividend	0	0
Value adjustments at 30 April	**3,406**	**2,667**
Carrying amount at 30 April	**3,717**	**2,971**

USD'000	Country	Currency	Method	**2017/18**	2016/17
Kaeline Investment Ltd	Cyprus	USD	Equity	50%	50%
Nordliq A/S	Denmark	DKK	Equity	33%	25%

NOTE 9 — DERIVATIVES

Derivatives are used only for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging criteria, they are classified as ‘held for trading’ for accounting purposes below. Bunker Holding group has the following derivative financial instruments:

USD'000	**2017/18**		2016/17	
	Assets	Liabilities	Assets	Liabilities
Commodity swaps	356,140	-389,580	161,256	-341,098
Commodity futures	307,907	-263,838	308,308	-125,765
Fixed price physical	657	-143	1,049	0
Commodity options	6,038	-5,506	5,722	-3,516
Forward foreign exchange contracts	0	-4,818	2,345	0
Gross balance	**670,742**	**-663,885**	**478,680**	**-470,379**
Balances qualifying for offsetting				
Commodity swaps, -futures and -options	-614,612	620,891	-463,562	443,954
Net balance	**56,130**	**-42,994**	**15,118**	**-26,425**
Margin deposits	15,903	-72,041	21,648	-1,839
Amounts presented in the balance sheet	**72,033**	**-115,035**	**36,766**	**-28,264**
Amounts with right to set-off	-39,013	39,013	-12,239	12,239
Net exposure	**33,020**	**-76,022**	**24,527**	**-16,025**

Bunker Holding Group has a master netting agreement with all customers and obtains and provides collateral in excess of agreed credit limits. In the balance sheet, derivative assets and liabliites and related collateral with the same counterparty is presented net to the extent that the amounts will be settled net.

Offsetting is typically limited within specific products. According to IFRS, financial assets and liabilities are presented net, if there is both a legal right and intention to settle amounts with a counter party net or simultaneously.

Derivatives are classified as held for trading and accounted for at fair value through income statement unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

NOTE 9 — DERIVATIVES (CONTINUED)

Fair value hierachy - 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 we use the most liquid forward curves and derive a spread to the specific location. For options theoretical pricing models with implied volatilities from Ice are used to calculate market prices.

These valuation techniques maximise the use of observable market data where it is avaliable 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 assets or liabilities that are not based on observable market data.

Fair value of listed securities falls within level 1 of the fair value hierarchy. Non-listed shares and other securities fall within level 3 of the fair value hierarchy.

Fair value of derivatives falls mainly within level 2 of the fair value hierarchy and is calculated on the basis of observable market data as of the end of the reporting period. A minor amount of crude oil price derivatives fall within level 1 of the fair value hierarchy.

Fair value of level 3 assets and liabilities is primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Group's earnings after tax or equity significantly.

USD '000	Level 1	Level 2	Level 3	**Total**
2017/18				
Financial assets				
Derivatives	322,342	348,057	343	670,742
Total	**322,342**	**348,057**	**343**	**670,742**
Financial liabilities				
Derivatives	-274,003	-389,738	-143	-663,884
Total	**-274,003**	**-389,738**	**-143**	**-663,884**
2016/17				
Financial assets				
Derivatives	312,027	164,855	1,798	478,680
Total	**312,027**	**164,855**	**1,798**	**478,680**
Financial liabilities				
Derivatives	-129,732	-340,377	-270	-470,379
Total	**-129,732**	**-340,377**	**-270**	**-470,379**

Bunker Holding is a safe haven in a challenged bunker market.

NOTE 10 — FINANCIAL INSTRUMENTS BY CATEGORY

USD'000	Fair value through income statement	Amortised cost
2017/18		
Financial assets		
Trade and other receivables	16	913,418
Derivative financial instruments	72,033	0
Cash and cash equivalents	0	120,318
Total financial assets	**72,049**	**1,033,736**
Financial liabilities		
Trade and other payables	0	574,540
Borrowings	0	324,241
Derivative financial instruments	115,035	0
Total financial liabilities	**115,035**	**898,781**
Total	**-42,986**	**134,955**
2016/17		
Financial assets		
Trade and other receivables	15	815,234
Derivative financial instruments	36,766	0
Cash and cash equivalents	0	38,082
Total financial assets	**36,781**	**853,316**
Financial liabilities		
Trade and other payables	0	428,207
Borrowings	0	323,114
Derivative financial instruments	28,264	0
Total financial liabilities	**28,264**	**751,321**
Total	**8,517**	**101,995**

Categories of financial assets and liabilities as defined in IFRS 9. The classification depends on the purpose for which the investments were made. Management determines the classification of its investments on initial recognition and revaluates this at the end of every reporting period to the extent that such a classification is permitted and required.

Financial instruments carried at fair value
Bunker Holding Group has entered into financial bunker sale agreements with customers with the bunker price in places where the price is not direct observable. Fair value is determined as the present value of the difference between the price fixed in the agreement and the forward price for the same quality of bunker in a liquid place (Rotterdam, Singapore) with the addition of an estimated spread between the liquid place and the place of delivery under the contract for the same quality of bunker and an estimated margin. The spread is determined on the basis of an analysis of the historical difference between the actual price in the liquid place and available price observations for the place of delivery. The margin is estimated to be equal to the margin on inception of the contract over the term of the agreement. Refer to note 9 for futher information.

Financial instruments carried at amortised cost
Fair value of the short term financial assets and other financial liabilities carried at amortised cost is not materially different from the carrying amount. In general, fair value is determined primarily based on the present value of expected future cash flows, discounted with an interest rate reflecting he credit rating of the company. Where a market price was available, however, this was deemed to be the fair value. Fair value of borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows. Carrying amount of borrowings differs from fair value due to capitalised borrowing costs of USD 2.5 million.

NOTE 11 — FINANCIAL RISKS

Bunker Holding Group is exposed to a variety of financial risks herein market risks such as currency risks, interest rate risks and price risks. Besides these significant risks, there are credit risks and liquidity risks.

Market risk is the risk of losses on financial positions arising from movements in market prices to which the Group is exposed through financial instruments. Market risks are regularly assessed and prioritised based on how likely they are to occur and their potential impact. Bunker Holding Group's risk management programme seeks to minimise the potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central department under policies approved by the Board of Directors.

The below sensitivity analyses relate to the position of financial instruments at 30 April 2018.

Currency risk

The functional currency is USD and thus all amounts are recorded and reported in USD. Nearly all of revenues and costs of sales are denominated in USD. However, payments of local costs such as office expenses, local taxes, local employee compensation and GST/VAT payments may be denominated in local currency. In some limited locations, suppliers are paid in local currency. The largest gross exposures are to the Danish Krone, the Singapore Dollar and Euro. However the risk management policy requires the use of hedging strategies to mitigate the impact of foreign currency exchange risk. Therefore, the net exposure to foreign currency exchange risk is insignificant.

An increase in the USD exchange rate of 10% against all other significant currencies to which the Group is exposed is estimated to have a negative impact on the Group's EBT by USD 0.1 million (2016/17: positive by USD 0.3 million) and to affect the Group's equity, excluding tax, negatively by USD 0.1 million (2016/17: positively by USD 0.3 million). The sensitivities are based only on the impact of financial instruments that are outstanding at the balance sheet date and are thus not an expression of the Group's total currency risk.

Interest rate risk

The Group has most of its debt denominated in USD. Borrowings issued at variable interest rates expose the Group to interest rate risk. The Group's policy is to have its borrowings mainly in floating rate instruments, as the borrowings are mainly financing short term assets.

A general increase in interest rates by one percentage point is estimated, all other things being equal, to have a negative impact on earnings before tax and equity, (excluding tax) by USD 2.0 million per annum (2016/17: negatively by USD 2.9 million), as a result of higher interest cost on borrowings.

The pricing model of the Group allows to a large extent the pass-through of interest costs to customers. Hence, from an operational point of view the Group is not as exposed as the analysis indicates. As such the analysis is therefore not representative for the Group.

Net interest-bearing debt

USD'000	**2017/18**	2016/17
Non-current liabilities		
Mortgages	-5,598	-5,539
Current liabilities		
Mortgages	-517	-152
Bank borrowings	-318,126	-317,423
Interest-bearing debt	**-324,241**	**-323,114**
Cash and cash equivalents	**120,318**	**38,082**
Net interest-bearing debt	**-203,923**	**-285,032**

Credit risk

The Group is exposed to credit risk relating to its customers, and all customers and other business partners are credit rated regularly in accordance with the Group'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 mitigate the negative impact from defaulting payers. In addition, the Group 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.

The Group's cash at bank and in hand is deposited with banks that meet the appropriate credit criteria. In terms of credit rank banks must be at an acceptable level. Risk Management services are offered to our customers. These services include derivatives on fixed price contracts to customers which have been approved in line with the group's credit policy.

NOTE 11 — FINANCIAL RISKS (CONTINUED)

The ageing of receivables is as follows:

USD'000	Trade receivables	Provision for impairment		Net trade receivables
2017/18				
Receivables not due	680,693	0.2%	-1,361	679,332
Less than 90 days overdue	169,144	0.5%	-846	168,298
More than 90 days overdue	33,004	23.6%	-7,793	25,211
Carrying amount	**882,841**	**1.1%**	**-10,000**	**872,841**
2016/17				
Receivables not due	580,223	0.2%	-1,160	579,063
Less than 90 days overdue	147,513	0.5%	-738	146,775
More than 90 days overdue	66,457	19.7%	-13,102	53,355
Carrying amount	**794,193**	**1.9%**	**-15,000**	**779,193**

During the year, the following gains/(losses) were recognised in the income statement in relation to impaired receivables.

USD'000	**2017/18**	2016/17
Incurred losses	-31,383	-30,265
Movement in expected credit losses	5,000	2,500
Reversal of previous incurred losses	1,823	3,544
Loss recognised in the income statement	**-24,560**	**-24,221**

During the year, the following movement in provision were recognised in the statement of financial position in relation to impaired recievables:

USD'000	**2017/18**	2016/17
Provision 1 May	-15,000	-17,500
Movement in provision for impairment	5,000	2,500
Carrying amount at 30 April	**-10,000**	**-15,000**

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in the income statement within other external expenses.

Liquidity risk

Funding and adequate liquidity are fundamental factors in driving an expanding business, and management of both is an integrated part of Bunker Holding's continuous budget and forecasting process. To ensure focus on managing the risks related to funding and liquidity, Bunker Holding's Group Treasury department manages and monitors funding and liquidity for the entire Group and ensures sufficient cash and bank credit facility reserves to enable the Group to meet the operating liquidity needs, having an adequate amount of committed credit facilities and monitoring forecast and actual cash flow by matching the maturity profiles.

The borrowings are based on loan facilities committed by the banks for a 3-year period ending July 2020. The financing is granted as overdraft facilities without an agreed repayment profile and are as such classified as short term borrowings according to the IFRS accounting principles despite the 3-year commitment from the banks.

The Group's borrowings are subject to standard clauses, according to which the Group's debt must be repaid in case of a change of control. The credit facilities with banks are furthermore subject to a few covenants focusing on the Group's ability to generate sufficient cash flow and meet its obligations. The covenants have not been breached in 2017/18, and neither were they breached in 2016/17.

It is crucial for the Group to maintain a financial reserve to cover the Group's obligations and investment opportunities and to provide the capital necessary to offset changes in the Group's liquidity due to changes in the cash flow from operating activities. At 30 April 2018 Bunker Holding Group had total unutilised credit facilities of USD 384.2 million (2016/17: USD 314.4 million). Besides the unutilised credit facilities the Group has factoring lines and inventory financing facilities of USD 209.8 million.

NOTE 11 — FINANCIAL RISKS (CONTINUED)

Maturities of liabilities and commitments
The tables below detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods.

The tables have been drawn up based on the undiscounted cash flows of financial liabilites based on the earliest date on which the Group can be required to pay.

USD '000	Carrying Amount	0-1 year	1-5 years	After 5 years	**Total**
2017/18					
Borrowings	324,241	318,643	2,002	3,596	324,241
Payables to related parties	1,368	1,368	0	0	1,368
Trade payables	535,292	535,292	0	0	535,292
Other payables	37,880	37,880	0	0	37,880
Derivatives	115,035	115,035	0	0	115,035
Financial instruments	**1,013,816**	**1,008,218**	**2,002**	**3,596**	**1,013,816**
Operating lease capital commitments		16,007	9,108	1,366	26,481
Total	**1,013,816**	**1,024,225**	**11,110**	**4,962**	**1,040,297**
2016/17					
Borrowings	323,114	317,575	1,810	3,729	323,114
Payables to related parties	2,047	2,047	0	0	2,047
Trade payables	392,713	392,713	0	0	392,713
Other payables	33,447	33,447	0	0	33,447
Derivatives	28,264	28,264	0	0	28,264
Financial instruments	**779,585**	**774,046**	**1,810**	**3,729**	**779,585**
Operating lease capital commitments		16,672	9,757	351	26,780
Total	**779,585**	**790,718**	**11,567**	**4,080**	**806,365**

Oil price risk
The majority bulk of the Group's trading activities is back-to-back trading of bunker products with delivery on short notice (so called spot trading), where sale and purchases are made simultaneously. This eliminates the oil price risk as there are no open positions in such transaction. The same is the case when the Group enters into fixed price agreements with customers for delivery of bunker products on future dates.

Here the oil price exposure of such contracts is hedged to mitigate any oil price risk arising. When it comes to physical activities the Group possesses stocks of oil as the bunker products are bought in larger quantities and stored for blending and resale. The oil price risk arising from these oil price stocks is mitigated by entering into hedge agreements and only a small risk is allowed for each company involved in physical activities - this risk allowed for operational reasons.

The overall risk limit set in the policy is defined by a maximum net open (unhedged) position for the Group and for the individual companies involved in physical exposure having a limit for open oil-price-risk. The sensitivity of the consolidated net open position is calculated every day on a 1 day Value-at-Risk basis, based on a confidence level of 95% and 500 days of historical observations. Measured on these terms Value-at-Risk was respectively USD 0.2 million and USD 0.3 million for 2017/18 and 2016/17.

NOTE 11 — FINANCIAL RISKS (CONTINUED)

Oil price risk
The Group is exposed to oil price risk arising from future purchases and sales of bunkers and from bunker inventories. The Group regularly enters into financial derivatives to hedge this risk. The risk is measured as the net open position until October 2019.

The company designates the spot component of oil futures and swaps as the hedging instrument. The changes in the forward element that relate to the hedged item ('aligned forward element') is deferred in the costs of hedging reserve and recognised against the related hedged transaction when it occurs. The forward element relates to the respective hedged item if the critical terms of the forward or swap are aligned with the hedged item.

Any residual time value and forward points (the non-aligned portion) are recognised in the income statement. During the years ending 30 April 2018 and 2017, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

The spot component of forward contracts is determined with reference to relevant spot market prices. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward point.

The effects of applying hedge accounting on the company's financial position and performance are as follows:

	2017/18	2016/17
Oil futures and swaps hedging future sales of oil		
Notional amount (MT)	11,917	457,700
Carrying amount, assets (USD´000)	0	0
Carrying amount, liabilities (USD´000)	0	0
Maturity dates	May '18-Oct '19	May 17-Oct 18
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD´000)	476	-1,547
Change in value of hedged item used to determine hedge effectiveness (USD´000)	476	-1,547
Weighted average hedge price per metric tonne including forward points (USD)	615.58	483.72

The carrying amount of USD 0.5 mill (2016/17: USD -21.4 mill) has been netted with carrying amount of the oil futures and swaps hedging futures purchase of oil. Net carrying amount is USD -0.4 mill (2016/17: USD 2.0 mill)

	2017/18	2016/17
Oil Futures and swaps hedging future purchases of oil		
Notional amount (MT)	-43,800	-481,200
Carrying amount, assets (USD'000)	0	1,956
Carrying amount, liabilities (USD'000)	359	0
Maturity dates	May '18-Oct '19	May 17-Oct 18
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD'000)	-835	2,817
Change in value of hedged item used to determine hedge effectiveness (USD'000)	-835	2,817
Weighted average hedge price per metric tonne included forward points (USD)	636.44	492.69

The carrying amount of USD -0.8 mill (2016/17: USD 23.4 mill) has been netted with carrying amount of the oil futures and swaps hedging futures sales of oil. Net carrying amount is USD -0.4 mill (2017: USD 2.0 mill)

	2017/18	2016/17
Oil Futures and swaps hedging inventory		
Notional amount (MT)	-106,561	-215,200
Carrying amount, assets (USD´000)	0	19,291
Carrying amount, liabilities (USD´000)	18,987	0
Maturity dates	May '18-Jun '18	May 17-Jun 17
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD´000)	-18,940	19,291
Change in value of hedged item used to determine hedge effectiveness (USD´000)	-18,940	19,291
Weighted average hedge price per metric tonne included forward points (USD)	444.72	496.07

NOTE 11 — FINANCIAL RISKS (CONTINUED)

Hedging reserve

USD'000	**2017/18**	2016/17
Cash flow hedging reserve		
Fair value 1 May	787	-1,596
Fair value changes deferred for the year	-3,553	2,334
Reclassified to sales	-104	0
Reclassified to costs of goods sold	2,679	49
Fair value 30 April	**-191**	**787**
Cost of hedging reserve		
Fair value 1 May	4,563	431
Fair value changes deferred for the year	9,520	11,525
Reclassified to sales	0	0
Reclassified to costs of goods sold	-5,757	-7,393
Fair value 30 April	**8,326**	**4,563**
Total of hedging reserve		
Fair value 1 May	5,350	-1,165
Fair value changes deferred for the year	5,967	13,859
Reclassified to sales	-104	0
Reclassified to costs of goods sold	-3,078	-7,344
Fair value 30 April	**8,135**	**5,350**

NOTE 12 — EQUITY

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

The Board of Directors proposes a dividend to the shareholders of USD 0 per share. Dividend paid to the shareholders in 2017/18 is USD 325 per share - a total on USD 32,500k

NOTE 13 — UNRECOGNISED ITEMS

Assets pledged as security

USD'000	**2017/18**	2016/17
Security		
Carrying amount of land and buildings provided as security for debt to mortgage credit institutes	**13,195**	11,444

Contingent Liabilities and Contingent assets

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the Company's liability.

Change of control

The bank borrowings are committed and unsecured (no pledge of assets) and are subject to change-of-control clause.

Operating lease commitments

The Group has entered into customary lease agreements classified as operating leases.

Operating lease commitments primarily relates to property leases, leases of tanks and barges. Lease cost is classified as operating costs and other external expenses:

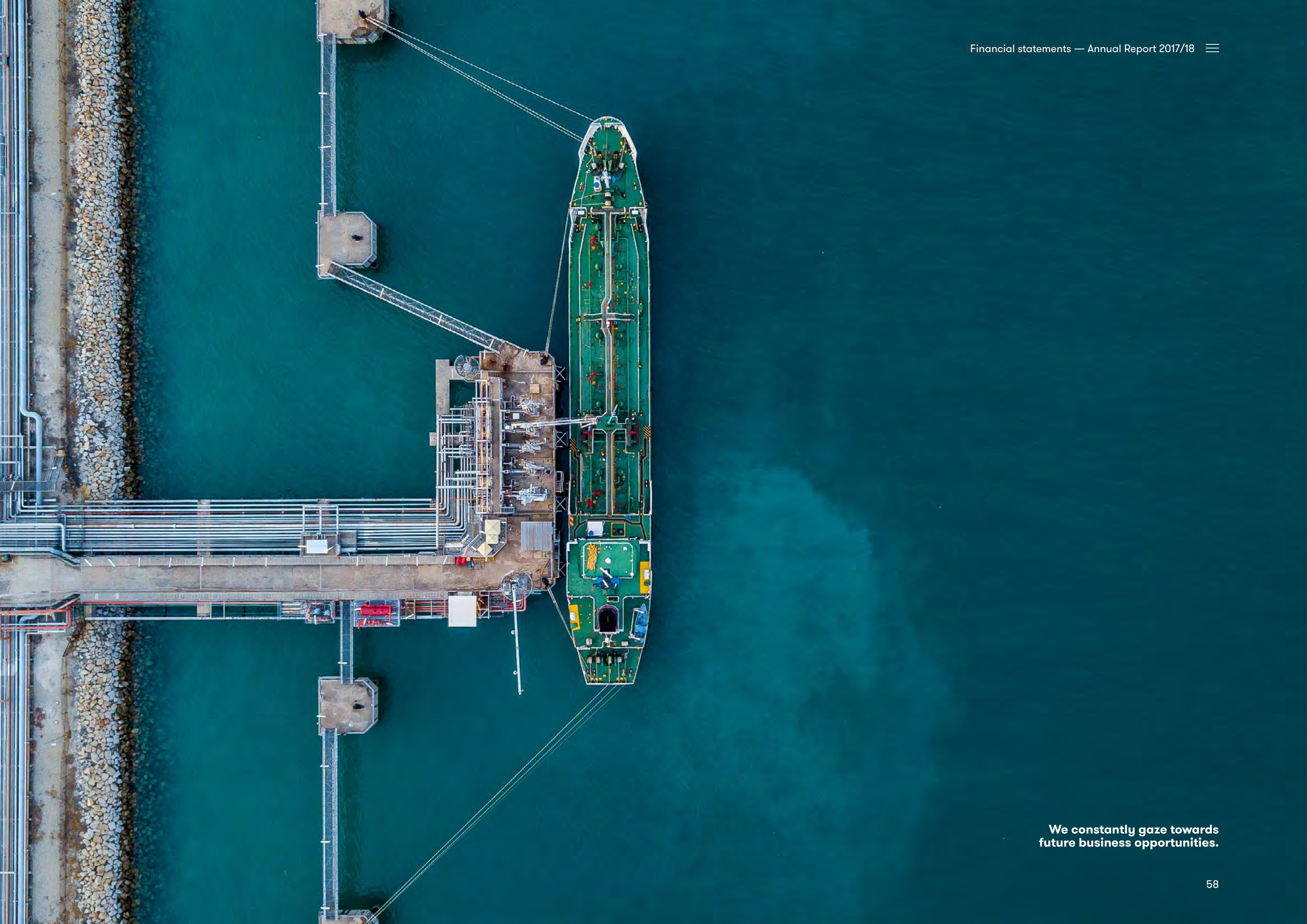
USD'000	**2017/18**	2016/17
Within one year	16,007	16,672
Between one and five years	9,108	9,757
After five years	1,366	351
Total Lease	**26,481**	**26,780**

Capital Commitments

At 30 April 2018 the Group had no material capital commitments (30 April 2017: no material capital commitment).

Events occurring after the reporting period

No events have occurred since the balance sheet date which could materially affect the Group's financial position.



We constantly gaze towards future business opportunities.

NOTE 14 — OTHER INFORMATION

Fees to auditors

USD'000	**2017/18**	2016/17
PricewaterhouseCoopers		
Audit	538	445
Assurance engagements	1	1
Tax services	288	207
Other services	114	113
RSM		
Audit	134	192
Assurance engagements	0	0
Tax services	86	175
Other services	3	20
Other		
Audit	153	226
Assurance engagements	2	6
Tax services	40	53
Other services	267	209
Total fee for the year	**1,626**	**1,647**

Related parties

Related parties are defined as parties with control or significant influence, including Group Companies.

The Company is included in the Consolidated Financial Statements of the immediate Parent Company, A/S United Shipping & Trading Company.

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

Other related parties comprise the Board of Directors and the Executive Board.

Associated companies

Bunker Holding holds ownership interests in 2 associate companies (2016/17: 2). The Group's share of associates' profit for the yeart amounted to USD 0,7 million (2016/17: USD 1.1 million). The carrying amount of the investment was USD 3.7 million at 30 April 2018 (30 April 2017: USD 3.0 million)

Transactions with related parties

The following transactions occurred with related parties:

USD'000	Parent company	Sister companies	Associated companies	Key management
2017/18				
Income statement				
Revenue	0	41,592	1,769	0
Operation costs	0	-10,377	-4,491	0
Other external expenses	0	-2,617	0	-2,588*
Financial, net	0	0	195	0
Assets				
Trade receivables	0	4,814	576	0
Loan deposits	0	0	9,666	0
Liabilities				
Trade payables	0	-729	-144	0
Loans	0	495	0	0
Dividend paid	-32,500	0	0	0
Dividend received	0	0	0	0
2016/17				
Income statement				
Revenue	0	37,781	457	0
Cost of goods sold	-347	-3,477	-4,006	0
Other external expenses	0	-228	0	-1,722*
Financial, net	0	7	0	0
Assets				
Trade receivables	6	1,652	1,850	0
Liabilities				
Trade payables	0	-678	-1,369	0
Dividend paid	-46,000	0	0	0
Dividend received	0	0	0	0

* Comprises of remuneration

NOTE 15 — SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the consolidated financial statements, Management makes various significant accounting estimates and judgements that affect the reported amounts and disclosures in the statements and in the notes to the financial statements. These estimates are based on professional judgement, historical data and other factors that management considers appropriate under the given circumstances, but which are inherently uncertain or unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, the Company is subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates. Risk factors specific to Bunker Holding Group are described in the Management´s review. By their nature, however, estimates include a degree of uncertainty, and actual results may deviate from the estimates at the reporting date. Estimates are continuously evaluated, and the effects of any changes are recognised in the relevant period. Management regards the following as the key accounting estimates and judgements used in the preparation of the consolidated financial statements:

Purchasing Price Allocation for acquisition of businesses

For acquisitions of entities, the assets, liabilities and contingent liabilities of the acquiree are recognised using the acquisition method. The most significant assets acquired generally comprise goodwill, customer contracts, trademarks, other non-current assets and receivables.

No active market exists for the majority of the acquired assets and liabilities, in particular in respect of acquired intangible assets. Accordingly, management makes estimates of the fair value of acquired assets, liabilities and contingent liabilities. Depending on the nature of the item, the determined fair value of an item may be associated with uncertainty and possibly adjusted subsequently.

Goodwill

The unallocated purchase price (positive amount) is recognised in the statement of financial position as goodwill, which is allocated to the Group's cash-generating units. Management makes estimates of the acquired cash-generating units, the cash-generating units that already existed in the Group and the allocation of goodwill. The allocation of goodwill is based on the expected future cash flows for the business.

The present value of expected future cash flows (value in use) is based on budgets and business plans. Key parameters are annual growth rate in the first five years, EBIT-margin and growth expectations for the following years.

As the risk associated with cash flows is not included in the expected cash flows for newly acquired entities, the expected future cash flows are discounted using a WACC rate. Management believes that the purchase price accounted for in the consolidated financial statements reflects the best estimate of the total fair value of the business.

Determining whether goodwill is impaired requires a comparison of the recoverable amount with the carrying amount. The recoverable amount is determined as the net present value of the future cash flows expected to arise from the cash-generating unit to which goodwill is allocated.

Trademarks

The value of the trademarks acquired and their expected useful life are assessed based on the trademarks' market position, expected long-term developments and the trademarks' profitability. The estimated value of acquired trademarks includes all future cash flows associated with the trademarks using the relief from royalty method. For most entities acquired, there is a close relationship between trademarks and sales.

Customer agreements and portfolios

In business combinations, the value of acquired customer agreements and customer portfolios is assessed based on the value of repeat customers who buy the Group´s products. The current repeat customers have substantial value due to future revenue via additional purchases of products with a minimum sales effort as a result of established relationships. These relationships are defined as customer relationships. The valuation method applied is based on a capitalised value of future cash flows attributable to the customers based upon expected future mortality dispersion function and deducted with cost of goods sold, related expenses and corporate income taxes.

Impairment Test

Management's assessment of indication of impairment is based on the cash-generating units (CGUs). If there are indications that the carrying amount of assets exceeds the value of future cash flows from the assets (recoverable amount), an impairment test must be carried out. The recoverable value is calculated as the highest value of the net selling price (fair value less selling costs) and the value in use at continued use.

The impairment test is carried out within the Group's CGUs. The impairment test is conducted by estimating the recoverable amount at value in use calculated as the present value of the total expected cash flows within the CGU. If the value in use is lower than the carrying amounts of the assets in the CGU, the assets are written down by first reducing the value of any goodwill allocated to the CGU and then pro rata reducing the value of the other assets of the CGU on the basis of the carrying amount of each asset. The assets are not written down to a lower amount than the individual assets' net selling price.

Trade Receivables

Trade receivables are measured at amortised cost less write-down for estimated bad debt losses. Impairment losses are based on an individual review of the need for impairment based on customers' creditworthiness and expected ability to pay, customer insolvency or anticipated insolvency, and past due amounts. Write-downs are also considered on a portfolio level. In assessing the adequacy of write-downs for bad debt losses, Management specifically analyses receivables, including doubtful debts, concentrations of credit risk, credit ratings, current economic conditions and changes in customers' payment behaviour.

The specific amount provided for as bad debt is estimated based on a specific assessment of the customers. In this assessment, professional judgement is used, and options such as taking collateral are taken into consideration.

NOTE 16 — SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation
The Consolidated financial statements for 2017/18 for Bunker Holding A/S have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act. The Consolidated financial statements are also in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

The Board of Directors and the Executive Board have on 29 June 2018 considered and adopted the annual report for 2017/18, which will be presented for adoption by the shareholders at the Company's Annual General Meeting on 29 June 2018.

New and amended standards
The Group has applied new and amended standards and interpretations which are effective for accounting periods beginning on 1 May 2017. The following standards and amendments are relevant to the Group:

- Amendments to IAS 7 Cash flow statements: Additional disclosure requirements regarding financing activities

- Part of annual improvements 2014-2016 consisting of minor changes to existing standards

- IFRIC 22 Foreign currency and advance consideration

Adoption of these amended standard and interpretations has not resulted in changes in the Group's accounting policies.

Basis of measurement
Amounts in the Annual Report are presented in thousands of United States Dollar (USD), unless otherwise stated. The Annual Report has been prepared under the historical cost convention with the exception of derivative financial instruments and acquisition opening balances, which are measured at fair value. The accounting policies described in the notes have been applied consistently to the financial year and the comparative figures.

Consolidation
The consolidated financial statements include the parent company Bunker Holding A/S and subsidiaries controlled by Bunker Holding A/S.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements are prepared by consolidating items of a uniform nature. In the consolidation, intercompany income and costs, balances, dividends and intercompany gains and losses are eliminated. The financial statements used for the consolidation are prepared in accordance with the Group's accounting policies.

Foreign currency translation
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in USD, which is the Group's presentation currency and the functional currency of the parent company and in all material aspects all other of the Group's entities.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in financial items.

The results and financial position of all of the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; income and costs for each income statement are translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income.

Materiality in Financial Reporting
In preparing the Annual Report, Management seeks to improve the information value of the consolidated financial statements, notes to the statements and other measures disclosed by presenting the information in a way that supports the understanding of the Group's performance in the reporting period.

This objective is achieved by presenting fair transactional aggregation levels on line items and other financial information, emphasising information that is considered of material importance to the user and making relevant rather than generic descriptions throughout the Annual Report. All disclosures are made in compliance with the International Financial Reporting Standards, Danish Financial Statements Act and other relevant regulations, ensuring a true and fair view throughout the Annual Report.

Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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 measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes.

Revenue includes fair value gains and losses net related to commodity derivatives.

Sales of fuel products are recognised upon passing of title to the customer which generally coincides with delivery and acceptance of the goods sold.

NOTE 16 — SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cost of goods sold
Cost of goods sold include expenses for the purchase of goods for resale.

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

Share of profit/loss in associated companies
Share of profit or loss in associated companies is recognised net of tax and corrected for the share of unrealised intra-group gains and losses.

Financial income and expenses
Financial income and expenses comprises 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.

Corporation tax
Tax comprises an estimate of current and deferred income tax as well as adjustments to previous years of those. 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).

Statement of comprehensive income
Other comprehensive income consists of income and costs not recognised in the income statement, including exchange rate adjustments arising from the translation from functional currency to presentation currency, fair value adjustments of other equity investments and cash flow hedges.

Bunker Holding A/S's share of other comprehensive income in associated companies and joint ventures is also included.

Other comprehensive income includes current and deferred income tax to the extent the items recognised in other comprehensive income are taxable or deductible.

Balance Sheet

Intangible assets
Intangible assets is measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets. Trademarks are amortised over a useful life of 3 years. IT development and software are amortised over a useful life of 3-5 years. Customer relations are amortised over a useful life of 5 years.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

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.

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 are amortised over a useful period of 20-50 years. Other fixtures and fittings, tools and equipment are amortised over a useful time of 3-10 years.

Estimated useful lives and residual values are reassessed on a regular basis. Scrap values are reassessed yearly.

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 intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit exceeds the higher of the estimated value in use and fair value less costs of disposal. Goodwill is attributed to cash-generating units on acquisition and impaired before other assets.

Intangible assets and property, plant and equipment are tested for impairment, if there is an indication of impairment.

However, annual impairment tests are carried out for goodwill and other intangible assets with indefinite useful lives.

Investments in associates and joint ventures
Investments in associated companies and joint ventures are recognised at Bunker Holding's share of the equity value inclusive of goodwill less any impairment losses. Goodwill is an integral part of the value of associated companies and is therefore subject to an impairment test together with the investment as a whole. Impairment losses are reversed to the extent the original value is considered recoverable.

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

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

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

Receivables
Receivables are measured in the balance sheet at the amount initially recognised less the expected lifetime credit loss. Provisions for bad debts are determined on the basis of an individual assessment of each receivable in combination with an assessment on a portfolio level based on current and expected future economic conditions.

NOTE 16 — SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Own shares
Purchase and sales prices of own shares are recognised directly in equity. Capital reduction upon cancellation of own shares will reduce the share capital by an amount corresponding to the nominal amount of the shares and will increase retained earnings. Dividend on own shares is recognised directly in equity under "Retained earnings".

Financial liabilities
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.

Minority interests
Non-controlling interests' share of profit/loss for the year and of equity in subsidiaries is included as part of Bunker Holding's profit and equity respectively, but shown as separate items.

Derivative financial instruments
Derivative financial instruments are initially recognised in the balance sheet at fair value. 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 instruments are subsequently remeasured at their fair values. 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.

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. The contracts entered into as of 30 April 2018 comprise commodity derivatives. The net amount of fair value gains and losses related to commodity derivatives is presented as gross profit.

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 financial instruments that are designated and qualify as hedges of highly probable future transactions are recognised in other comprehensive income and presented in a separate reserve within 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.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regard the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

The Group applies the "cost of hedge" approach to certain hedge relationships. For hedges to which this approach is applied, changes in forward points and option premiums are recognized in other comprehensive income and classified in a separate reserve within equity. For cash flow hedges, the amount is transferred to the income statement along with the hedged items. For fair value hedges, the amount is transferred to the income statement on a systematic basis over the term of the hedge.

Business combinations
Upon acquisition of new entities, the acquired assets, liabilities and contingent liabilities are measured at fair value at the date control was achieved using the acquisition method. Identifiable intangible assets are recognised if they arise from a contractual right or can otherwise be separately identified. The difference between the fair value of the acquisition cost and the fair value of acquired identifiable net assets is recognised as goodwill. Any subsequent changes to contingent acquisition costs are recognised as other income or other costs in the income statement. Transaction costs are recognised as operating costs as they are incurred. When Bunker Holding Group ceases to have control of a subsidiary, the value of any retained investment is re-measured at fair value and the value adjustment is recognised

NOTE 16 — SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

in the income statement as gain (or loss) on sale of non-current assets. The effect of the purchase and sale of non-controlling interests without changes in control is included directly in equity.

Cash flow statement
Cash flow from operating activities is presented according to the indirect method based on EBIT, adjusted for depreciation, non-cash operating movements, net interests, changes in working capital and income taxes paid.

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 comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise the items "Cash and cash equivalents" under current assets as well as "Bank borrowings" under short-term debt.

The cash flow statement cannot be immediately derived from the published annual report.

Definition of financial ratios

Gross margin	=	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	=	$\frac{\text{EBIT x 100}}{\text{Revenue}}$
Return on equity	=	$\frac{\text{EAT x 100}}{\text{Average equity}}$
Liquidity ratio	=	$\frac{\text{Current assets}}{\text{Short-term debt}}$
Solvency ratio	=	$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$
Number of employees	=	Employees are converted to annual full-time employees

New accounting standards and interpretations
Certain new accounting standards and interpretations have been published that are not mandatory for 30 April 2018 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below

IFRS 15, Revenue from contracts with customers
The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services, The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption and is mandatory for the Group as of 1 May 2018.

Management is currently assessing the effects of applying the new standard on the group's financial statements.

IFRS 16, Leases
The IASB has issued a new standard for lease accounting. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The standard permits either a full retrospective or a modified retrospective approach for the adoption and is mandatory for the Group as of 1 May 2020.

Management is currently assessing the effects of applying the new standard on the group's financial statements. Refer to note 13 for disclosure of lease commitments currently treated as operating leases.

Other standards and amendments
The IASB has issued minor amendments to a number of standards, and IFRIC has issued interpretations which will become effective in future accounting periods. None of these amendments and interpretations are expected to have significant impact on the accounting policies.

PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

USD'000	Note	**2017/18**	2016/17
Other operating income		22,097	8,557
Other external expenses		-19,058	-8,151
Staff costs	17	-15,624	-6,340
Depreciation and amortisation	18	-341	-6
Earnings before interest and tax (EBIT)		**-12,926**	**-5,940**
Profit from investments in group enterprises and associates		41,542	31,761
Financial income	19	16,689	10,871
Financial expenses	20	-17,491	-11,886
Earnings before tax (EBT)		**27,814**	**24,806**
Corporation tax	21	3,070	1,626
Earnings after tax (EAT)		**30,884**	**26,432**

BALANCE SHEET AT 30 APRIL

USD'000	Note	2017/18	2016/17
Software		3,086	0
Intangible assets	**23**	**3,086**	**0**
Fixtures and fittings, tools and equipment		640	138
Property, plant and equipment	**24**	**640**	**138**
Investments in subsidiaries		291,423	252,833
Investments in associates		3,717	2,971
Fixed asset investments	**25**	**295,140**	**255,804**
Fixed assets		**298,866**	**255,942**
Trade receivables		0	28
Receivables from group enterprises		419,890	357,070
Prepayments		0	3,838
Other receivables	26	4,073	2,697
Dividends receivable		450	750
Corporation tax		4,205	1,467
Receivables		**428,618**	**365,850**
Cash at bank and in hand		**9,802**	**11,848**
Current assets		**438,420**	**377,698**
Assets		**737,286**	**633,640**

USD'000	Note	2017/18	2016/17
Share capital		1,781	1,781
Reserve for net revaluation under the equity method		59,143	98,497
Other reserves		3,086	0
Retained earnings		191,865	144,547
Proposed dividend for the year		0	10,000
Equity	**27**	**255,875**	**254,825**
Deferred tax	28	792	7
Provisions		**792**	**7**
Credit institutions		261,077	238,256
Trade payables		1,847	986
Payables to group enterprises		206,533	133,831
Other payables		11,162	5,735
Short-term debt		**480,619**	**378,808**
Liabilities and equity		**737,286**	**633,640**
Proposed distribution of profit	22		
Guarantees, securities and contingent liabilities	29		
Related parties	30		
Fees to auditors	31		
Accounting policies	32		

STATEMENT OF CHANGES IN EQUITY

USD'000	Share capital	Reserve under the equity method	Other reserves	Retained earnings	Proposed dividend	**Total equity**
2017/18						
Equity at 1 May	1,781	98,497	0	144,547	10,000	254,825
Dividend paid	0	0	0	-22,500	-10,000	-32,500
Earnings after tax (EAT) for the year	0	-42,431	3,086	70,229	0	30,884
Fair value adjustment of derivative financial instruments	0	0	0	-371	0	-371
Capital adjustments	0	3,077	0	-40	0	3,037
Equity at 30 April	**1,781**	**59,143**	**3,086**	**191,865**	**0**	**255,875**
2016/17						
Equity at 1 May	1,781	107,177	0	127,249	35,000	271,207
Dividend paid	0	0	0	-11,000	-35,000	-46,000
Earnings after tax (EAT) for the year	0	-9,429	0	25,861	10,000	26,432
Fair value adjustment of derivative financial instruments	0	0	0	373	0	373
Capital adjustments	0	749	0	2,064	0	2,813
Equity at 30 April	**1,781**	**98,497**	**0**	**144,547**	**10,000**	**254,825**

CONTENTS

NOTES

NOTE 17 — STAFF COSTS

USD'000	2017/18	2016/17
Wages and salaries	14,767	6,061
Pensions	705	258
Other social security expenses	152	21
Total	**15,624**	**6,340**
Number of employees	**99**	**39**
Salaries and remuneration to the Executive and Supervisory Boards amount to:	**2,588**	**1,722**

NOTE 18 — DEPRECIATION AND AMORTISATION

USD'000	2017/18	2016/17
Software	-292	0
Fixtures and fittings, tools and equipment	-49	-6
Total	**-341**	**-6**

NOTE 19 — FINANCIAL INCOME

USD'000	2017/18	2016/17
Intercompany interest	16,360	10,734
Total	**16,360**	**10,734**

NOTE 20 — FINANCIAL EXPENSES

USD'000	2017/18	2016/17
Intercompany interest	4,493	3,398
Total	**4,493**	**3,398**

NOTE 21 — TAXES

USD'000	2017/18	2016/17
Current tax for the year	3,855	1,531
Tax concerning previous years	0	102
Deferred tax	-785	-7
Total tax for the year	**3,070**	**1,626**
Which is specified as follows:		
Tax on profit for the year	3,962	1,426
Tax concerning previous years	0	102
Deferred tax	-785	-7
Tax on equity transactions	-107	105
Total tax for the year	**3,070**	**1,626**

NOTE 22 — PROPOSED DISTRIBUTION OF PROFIT

USD'000	**2017/18**	2016/17
Proposed dividend	0	10,000
Extraordinary dividend	22,500	11,000
Reserve for net revaluation under the equity method	-42,431	-9,429
Other reserves	3,086	0
Retained earnings	47,729	14,861
Earnings after tax (EAT)	**30,884**	**26,432**

NOTE 23 — INTANGIBLE ASSETS

USD'000	IT development and software
2017/18	
Cost at 1 May	0
Additions	3,378
Disposals	0
Cost at 30 April	**3,378**
Depreciation at 1 May	0
Depreciation	-292
Reversed depreciation of disposals	0
Impairment losses	0
Depreciation at 30 April	**-292**
Carrying amount at 30 April	**3,086**

NOTE 24 — PROPERTY, PLANT AND EQUIPMENT

USD'000	Fixtures and fittings, tools and equipment
2017/18	
Cost at 1 May	144
Additions	632
Disposals	-126
Cost at 30 April	**650**
Depreciation at 1 May	-6
Depreciation	-49
Reversed depreciation of disposals	45
Impairment losses	0
Depreciation at 30 April	**-10**
Carrying amount at 30 April	**640**
2016/17	
Cost at 1 May	0
Additions	144
Disposals	0
Cost at 30 April	**144**
Depreciation at 1 May	0
Depreciation	-6
Reversed depreciation of disposals	0
Impairment losses	0
Depreciation at 30 April	**-6**
Carrying amount at 30 April	**138**

NOTE 25 — INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

USD'000	Investments in subsidiaries	Investments in associates
Cost at 1 May	154,336	1,879
Additions for the year	78,027	7
Disposals for the year	-83	0
Cost at 30 April	**232,280**	**1,886**
Value adjustments at 1 May	98,497	1,092
Exchange rate adjustment	3,077	0
Disposals for the year	38	0
Share of profit for the year	40,803	739
Dividend	-83,272	0
Value adjustments at 30 April	**59,143**	**1,831**
Carrying amount at 30 April	**291,423**	**3,717**

NOTE 25 — INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (CONTINUED)

The Parent Company's investments in subsidiaries and associates comprise:

Name	Country	Currency	Ownership
South American Bunkers S.A.	Argentina	ARS	100%
Australia Bunkering Pty. Ltd.	Australia	AUD	100%
Bunker One Combustiveis E Lubrificantes Ltda.	Brazil	BRL	100%
Amoil International Ltd	British Virgin Islands	USD	100%
South African Bunkering & Trading Ltd.	British Virgin Islands	USD	100%
Canden Marine Fuel Services Ltd	Canada	CAD	51%
KPI Bridge Oil Ltd.	Cayman Island	USD	100%
Dan-Bunkering (Chile) SPA	Chile	CLP	100%
BMS United Bunkers (Cyprus) Ltd.	Cyprus	USD	100%
Bunkernet Ltd.	Cyprus	USD	100%
Bunker Point Supply Ltd	Cyprus	USD	100%
Kaeline Investment Ltd	Cyprus	USD	50%
KPI Bridge Oil Cyprus Ltd.	Cyprus	USD	100%
A/S Dan-Bunkering Ltd.	Denmark	USD	100%
BMS United Bunkers S.A. ApS	Denmark	USD	100%
KPI Bridge Oil A/S	Denmark	USD	100%
Unioil Supply A/S	Denmark	USD	100%
Unioil Cargo A/S	Denmark	USD	100%
A/S Global Risk Management Ltd. Holding	Denmark	USD	100%
A/S Global Risk Management Ltd. Fondsmæglerselskab	Denmark	USD	100%
Bunker Holding Estate A/S	Denmark	DKK	100%
USTC Administration ApS	Denmark	DKK	100%
Nordliq A/S	Denmark	DKK	33%
Dan-Bunkering Middle East DMCC	Dubai	USD	100%
Glander International Bunkering DMCC	Dubai	USD	100%
PSTV Energy DMCC	Dubai	USD	100%
KPI Bridge Oil Greece IKE	Greece	EUR	100%
International Bunker Services Ltd.	Hong Kong	USD	100%

Name	Country	Currency	Ownership
Glander International Bunkering (India) Pvt Ltd	India	INR	100%
PT BMS Bunkers Indonesia	Indonesia	IDR	100%
Suppleo Bunkering S DE RL DE CV	Mexico	MXN	100%
Dan-Bunkering (Monaco) S.A.M.	Monaco	EUR	100%
Unicore Fuel B.V.	Netherland	USD	100%
Glander Internnational Bunkering (Norway) AS	Norway	USD	100%
BH Shared Service Center Pte. Ltd.	Singapore	USD	100%
Bunker One (Singapore) Pte. Ltd.	Singapore	USD	100%
Dan-Bunkering (Singapore) Pte. Ltd.	Singapore	USD	100%
BMS United Bunkers (Asia) Pte. Ltd	Singapore	USD	100%
KPI Bridge Oil Singapore Pte Ltd.	Singapore	USD	100%
Glander International Bunkering Pte. Ltd.	Singapore	USD	100%
Unicore Fuel Pte Ltd.	Singapore	USD	100%
Global Risk Management Pte Ltd.	Singapore	USD	100%
Amoil (Pty) Ltd	South Africa	ZAR	100%
South African Bunkering & Trading Pty. Ltd.	South Africa	ZAR	100%
BunkerOne Sweden AB	Sweden	SEK	100%
Glander International Bunkering (Geneva) Sarl	Switzerland	USD	100%
KPI Bridge Oil Denizcllik ve Ticaret Ltd. Sti.	Turkey	TRY	100%
Bunker One (London) Ltd.	UK	USD	100%
KPI Bridge Oil London Ltd.	UK	GBP	100%
Reniden S.A	Uruguay	UYU	100%
Dan-Bunkering (America) Inc.	USA	USD	100%
KPI Bridge Oil, Inc	USA	USD	100%
Glander International Bunkering Inc	USA	USD	100%
Bunker One (USA) Inc.	USA	USD	100%
LQM Holdings (Delaware) Inc.	USA	USD	100%
LQM Petroleum Services LLC	USA	USD	100%

Moreover, the Group owns enterprises without any business activity which are not included in the list.

NOTE 26 — OTHER RECEIVABLES

The item other receivables includes adjustment of derivative financial instruments to fair value by net USD 33k. Stated on a gross basis, the asset amounts to USD 5,721k and the liability USD 5,688k. USD 4,850k of the gross payables relates to group enterprises.

NOTE 27 — EQUITY

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

NOTE 28 — DEFERRED TAX

USD'000	**2017/18**	2016/17
Deferred tax at 1 May	7	0
Correction	0	0
Change for the year	785	7
Total tax for the year	**792**	**7**

Deferred tax relates to intangible assets and property, plant and equipment.

NOTE 29 — GUARANTEES, SECURITIES AND CONTINGENT LIABILITIES

USD'000	**2017/18**	2016/17
Guarantees		
The Parent Company has issued a guarantee for the liabilities of the subsidiaries:	770,012	611,339
At the balance sheet date, the following has been applied of the guarantee commitment	196,983	159,772
At the balance sheet date, no other guarantees or security has been provided.		
Lease and rent obligations		
Lease and rent obligations	281	250
Contingent liabilities		
The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the Company's liability.		

NOTE 30 — RELATED PARTIES

Related parties are defined as parties with control or significant influence, including Group Companies.

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

The Company is included in the Consolidated Financial Statements of the immediate Parent Company, A/S United Shipping & Trading Company, Middelfart, Denmark.

Controlling interest is exercised through the Company's immediate Parent Company, A/S United Shipping & Trading Company. The Company's ultimate Parent Company which prepares Consolidated Financial Statements is Selfinvest ApS, in which Torben Øster-gaard-Nielsen, CEO, exercises control.

Other related parties comprise the Board of Directors and the Executive Board.

NOTE 31 — FEES TO AUDITORS

USD'000	**2017/18**	2016/17
PricewaterhouseCoopers		
Audit	57	66
Assurance engagements	0	0
Tax services	134	25
Other services	83	11
Total fees for the year	**274**	**102**

NOTE 32 — ACCOUNTING POLICIES

Basis of Preparation
The Annual Report of Bunker Holding A/S for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Financial Statements have been prepared based on the the same accounting policies as the group with below exceptions:

Intangible assets
Intangible assets are measured at cost less accumulated amortisation.

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

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

Goodwill max. 20 years
Software 3-5 years

Scrap values are yearly reassessed.

Dividend
Dividend distribution proposed by Manage-ment for the year is disclosed as a separate equity item.

MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today presented and adopted the Annual Report of Bunker Holding A/S for the financial year 1 May 2017 - 30 April 2018.

The consolidated financial statements for Bunker Holding A/S have been prepared in accordance with the International Financial Reporting Standards (IFRS).

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 Company operations for the financial year.

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

Middelfart, 29 June 2018

EXECUTIVE BOARD

Keld Rosenbæk Demant
CEO

Jesper Klokker Hansen
CFO

Christoffer Berg Lassen
CCO

BOARD OF DIRECTORS

Torben Østergaard-Nielsen
Chairman

Morten Hultberg Buchgreitz

Klaus Nyborg
Deputy Chairman

Peter Frederiksen

Michael Keldsen

Torben Janholt

Peter Korsholm

Mia Østergaard Nielsen

INDEPENDENT AUDITOR'S REPORT

– TO THE SHAREHOLDERS OF BUNKER HOLDING A/S

Opinion
In our opinion, the Group's Consolidated Financial Statements give a true and fair view of the Group's financial position at April 2018 and of the results of the Group's operations and cash flows for the financial year 1 May 2017 to 30 April 2018 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 30 April 2018 and of the results of the Parent Company's operations for the financial year 1 May 2017 to 30 April 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Bunker Holding A/S for the financial year 1 May 2017 to 30 April 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statements of comprehensive income and cash flow statement for the Group ("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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review. Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act. Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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 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 Group's and the Parent Company's internal control.

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

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

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

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

Trekantområdet, 29 June 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant
mne30224

Gert Fisker Tomczyk
State Authorised Public Accountant
mne9777

Bunker Holding delivers first-class quality products in any business region in the world.

Bunker Holding Group

Bunker Holding A/S
Strandvejen 5
5500 Middelfart

Telephone: +45 8838 2828
Facsimile: +45 8838 2820
E-mail: BH@Bunker-Holding.com

CVR No: 75 26 63 16
Financial year: 1 May - 30 April
Municipality of reg. office: Middelfart, Denmark