Bunker Holding Group

ANNUAL REPORT 2018/19

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

Michael Kel

Chairman of the meeting
Michael Keldsen

Financial year 1 May 2018 – 30 April 2019
Strandvejen 5, DK-5500 Middelfart,
company reg. no. 75 26 63 16

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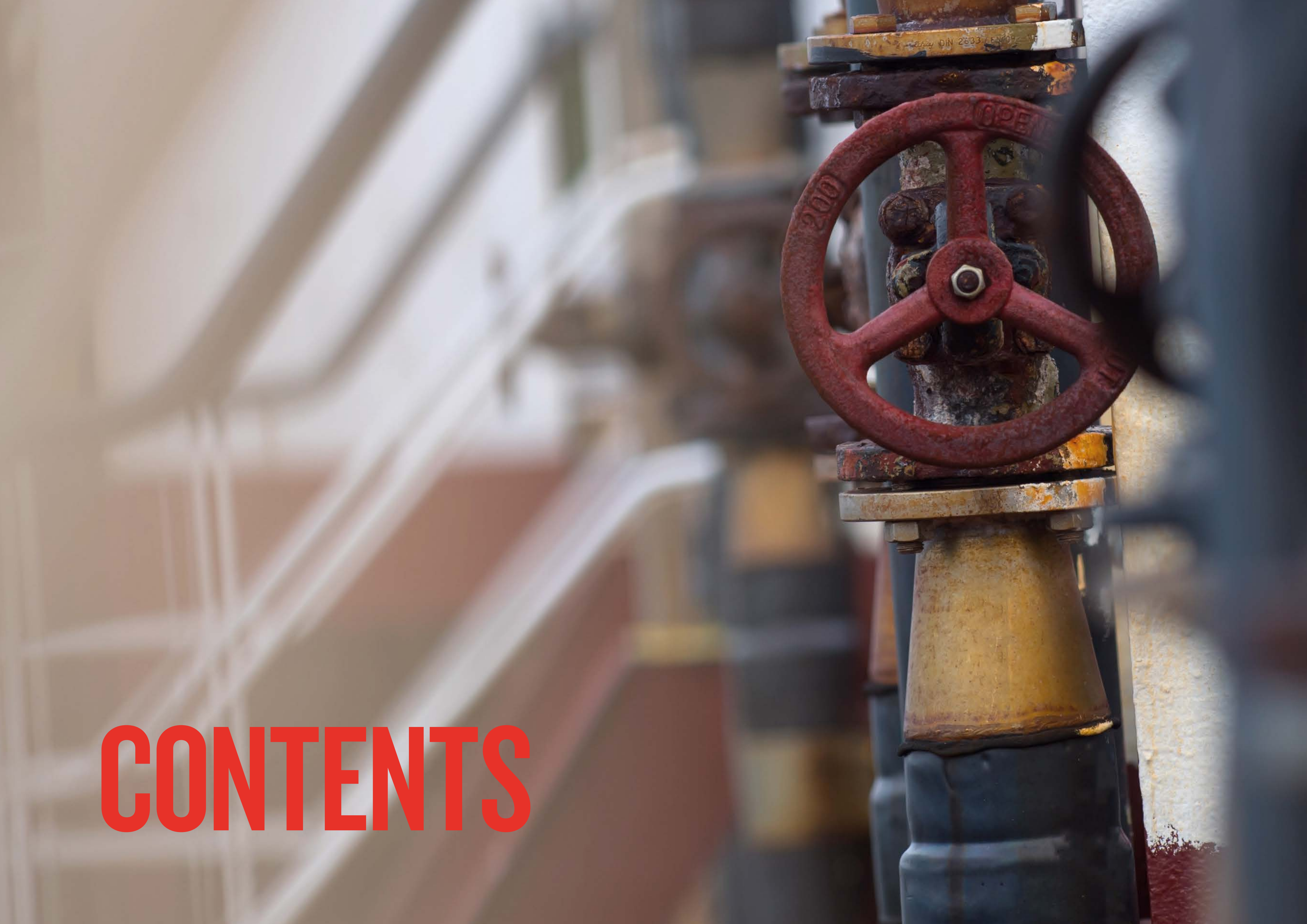

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OUR BUSINESS AREAS

BUNKER TRADING

Why are we one of the world's leading companies in bunker trading? Because we make a long and complicated process simple and straightforward. In an ever more complicated world, we are the safe and easy choice. We deliver the right product, the ideal financing, and the best advice. We know every link in our value chain and understand the needs of everyone in our market. Our founder and owner himself started out trading bunkers, and the expertise you will find at every level in the Group is testament to this heritage. Uniquely amongst the top bunkering companies, marine fuels are our key focus. We think both shipowners and oil companies are best served by our experience and insight being deep rather than broad.

RISK MANAGEMENT

How do we help customers escape volatile oil prices? Oil is one of the world's most volatile commodities and many consumers and suppliers of oil are heavily affected by oil price fluctuations. We turn volatility into security. Our independent, specialised company, Global Risk Management, offers a safe haven from price swings in oil. The company is a leading provider of customised hedging solutions for the management of the price risk on fuel expenses. This is something both the Group and its customers benefit from. Global Risk Management operates globally, and the company's European unit is a licensed investment firm, subject to the Danish Financial Supervisory Authority Surveilance since January 2018 where the new Markets in Financial Instruments Directive (MiFID II) took effect.

PHYSICAL DELIVERY

Where do you go if you need an easy, safe and swift way to refuel your vessel? Since our launch in February 2018, the shipowners' answer is increasingly likely to be Bunker One, Bunker Holding's independent physical supplier. We decided to improve on the status quo and deliver the most seamless bunkering process on the market. Bunker One is a smart and agile small company, but also a member of the world's leading bunkering group. This combination has proved irresistible for many, and the response from the market has been overwhelmingly positive. With more than 50 tankers and barges serving especially niche ports, Bunker One's size and global reach is already impressive.

JUST FACTS

Our strong business model creates great value through the entire value chain – from refinery to customer.

85,463 INQUIRIES

On average, the Group received an inquiry every six minutes, around the clock, every day of the year.

50 TANKERS AND BARGES

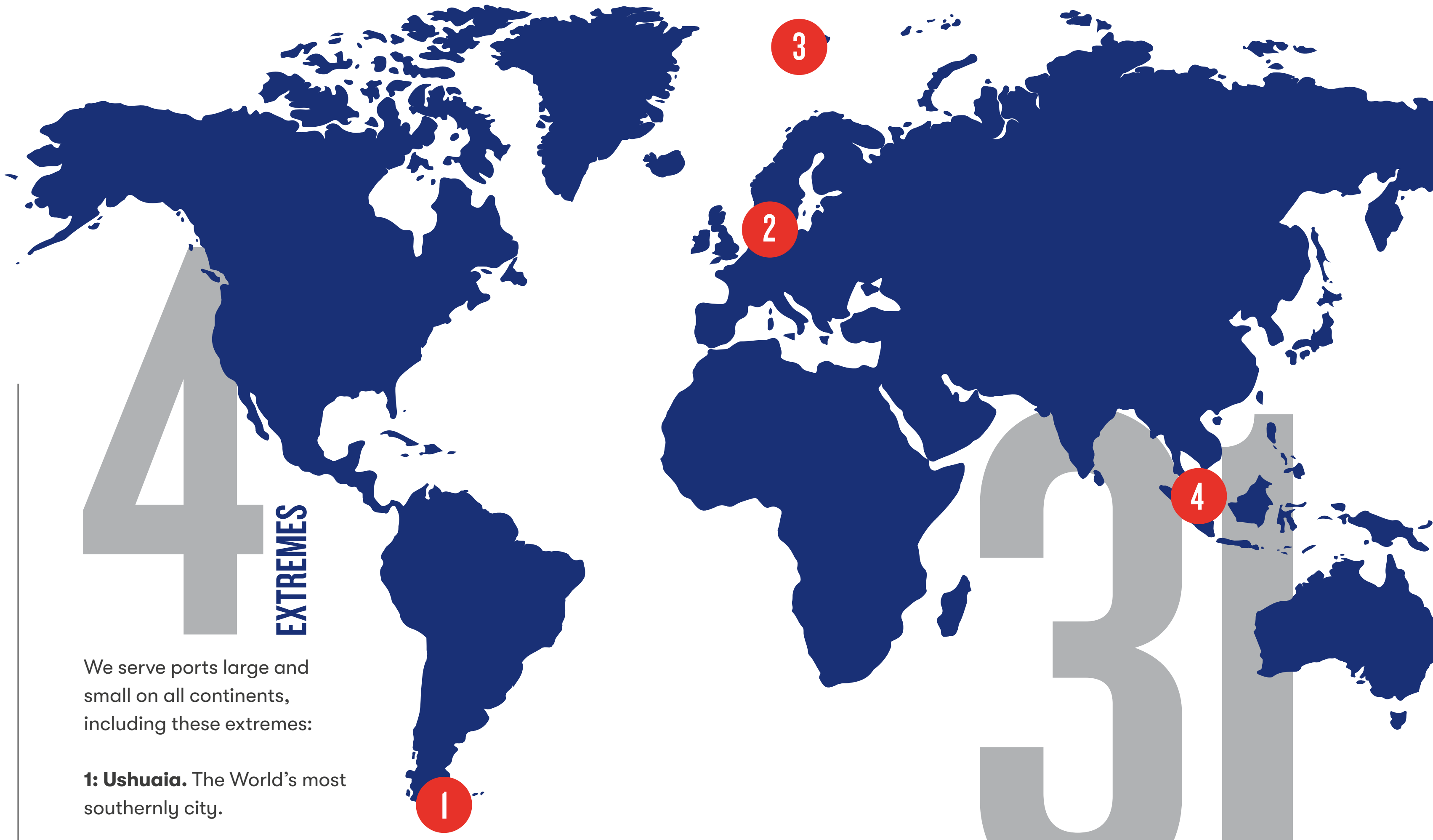
With tankers and barges serving clients from the North Atlantic to the Caribbean and beyond, Bunker One's size and global reach is impressive – especially considering that we only launched as an independent physical supplier in February 2018.

37 YEARS AND COUNTING

In 1981, our founder was one of the pioneers in the bunker business. 37 years later, he continues to set the course. Alone amongst the top bunkering companies, we remain privately owned.

1,800 PORTS

We delivered bunkers in 1800 ports in 160 countries, including both the largest bunker ports and some of the most remote harbours in the world.



KYS

KNOW YOUR SUPPLIER

2020 requires more than just a bunker supplier. It calls for an experienced service and solution provider. We like to say: Just as you should remember to KYC (Know Your Customer), in the future you should also remember to KYS (Know Your Supplier).

4 EXTREMES

We serve ports large and small on all continents, including these extremes:

1: Ushuaia. The World's most southernly city.

2: Fredericia. Just a small port when we founded the company, today it's one of the busiest in Denmark.

3: Longyearbyen. One of the World's most northernly settlements.

4: Singapore. The World's biggest bunker port.

726 EMPLOYEES

With more than 50 nationalities, and a multitude of different cultural backgrounds, Bunker Holding's diversity reflects the countries in which we operate. This is one of our greatest strengths.

31 COUNTRIES

59 offices in 31 countries ensure that we are local experts. Globally.

LETTER FROM THE CEO

THE SECRETS BEHIND OUR SUCCESS

THE SECRETS BEHIND OUR SUCCESS

This year, Bunker Holding has delivered a remarkable result. I am delighted to report not only a significant improvement over the previous year, but also one of our best results ever. Over the past year, we have created more value for more customers than ever before.

It makes us both proud and humble that we have succeeded in a market where so many other companies are struggling. As we look towards the future, better positioned than ever before and with more cause for optimism than most in our business, I would like to reflect on the unique qualities and advantages that make such a performance possible.

We make bunkering simple

We do not just trade fuels but offer an unbeatable value proposition. We know every link in our value chain and understand the needs of everyone in our market. We make a long and complicated process straightforward and seamless for everyone involved. We deliver the right product, the ideal financing, and the best advice. Customers recognise us as a business partner who can provide insight and advice in an increasingly complex bunker market. Oil suppliers value us as a dependable and easy channel to market their product. They trust us to take care of financing and only enter into contracts with solid customers. And not least, they appreciate their peace of mind: They know that logically there must have been the occasional problem with a customer, but they have never heard about any. It remains out of sight and out of mind, because Bunker Holding is on top of things and takes care of it.

The safe bet

In an ever more complicated world, we are the easy choice. In today's shipping industry, you need to know your supplier. You need to trust them to handle ever more stringent compliance demands, and to keep track of the ever-growing list of sanctioned countries and entities. You need to be confident of their financial strength and their ability to manage risk. With Bunker Holding, customers and suppliers know that they play it safe.

A unique DNA

Unique amongst the top bunkering companies, our expertise goes all the way to the top. Our owner himself started out trading bunkers, personally sourcing the fuels and talking to the customers in the earliest days of our history as one of the pioneers in the business. We believe that the personal experience that both owner and executive management have had with every nut and bolt of the bunkering business is a significant advantage over many of our major competitors.

Everyone lives our strategy

Our roadmap is not dictated from the top but drawn up together with our employees. I always have a good night's sleep, because even though we trade bunkers from 59 offices in 31 countries, every employee on every continent knows and understands our strategy and values. We may have only one owner, but everyone in Bunker Holding acts like one.

We are focused

Fuels and lubes are our focus. We believe our customers are best served by our experience and expertise being deep rather than broad.

Minimising risk

We are under no pressure to satisfy stock markets but have the freedom and luxury to decline any trade we do not think fits our strategy or that we deem too risky. We can afford to say no. Our growth is always sustainable, always devoid of unacceptable risk. If we don't understand a trade, we don't do it. Our goal is never to just create more volume, but to deliver more value per unit traded. Our ability to avoid mistakes and minimise risk is an important driver for our success.

We have 20/20 vision

We have the experience and expertise to create value for our customers. We hire the best and the brightest, and then invest in our human capital like few others. Take 2020: We have spent the last several years gaining insights into and knowledge of the new emissions cap, and then making sure that every relevant employee is on top of all the issues. Today, we are able to clear the fog and show the way forward for our customers on this complicated and crucial event. We believe that one important consequence of 2020 is that shipowners will need to enter into much closer partnerships with bunker suppliers. We are perfectly positioned for such a future.

We are on course for further success
The secrets behind our success are easy to understand. But many of them are difficult to copy.

There are companies out there with some of these qualities. A few have the same financial strength as us. Some are still privately owned. Several have also been very good at training their employees. But no competitor can match us on all parameters. We alone can fire up our strong engine and drive on all cylinders all the time.

We are humble enough to realise that we must never take anything for granted but always be ready to adjust our course. The pride we feel over this year's success will not cause us to rest on our laurels. But even as we stand ready to face any challenges, I am also confident that Bunker Holding is on course for further success in the years to come and will remain one of the leading companies in the bunkering industry.

"OVER THE PAST YEAR, WE HAVE CREATED MORE VALUE FOR MORE CUSTOMERS THAN EVER BEFORE"

Keld R. Demant
Group CEO,
Bunker Holding

HIGHLIGHTS OF THE YEAR

Michael Krabbe, Chief Financial Officer, Bunker Holding

Bunker Holding has delivered one of our best results ever. We outperformed not only the market, but also our own expectations for the year. We were able to grow both our volume and our margins, leading to a significant increase in our gross profit. Our positive outlook for the coming year is underpinned by our solid financial position, our strong creditworthiness, and our new credit facility – one of the largest in the industry.

Volume

Increasing market share

Again this year, Bunker Holding recorded an increase in volume. This resulted in a growing market share and strengthened our position as one of the global top-tier leaders in the bunkering industry.

Revenues

Growth in volume and higher oil prices

Oil prices grew an average of 26% compared to the year before. Combined with continued growth in volume, this resulted in an 31% increase in revenues to USD 10,644 million.

Gross profit

Healthy and growing gross profit

Continued execution of our strategy paved the way for growth in gross profit of 36% to USD 301.8 million. This growth was not least enabled by our financial strength that gave us the necessary muscles to take advantage of market opportunities. We recorded increased margins per tonne of marine fuel sold across all business areas.

External expenses

High activity level pushed costs up

With the Group bustling with activity, we naturally also saw an increase in external expenses. Many new employees around the globe was one driver. Our continued investments in our already strong IT platform was another. However, one expense was reduced: Our relentless focus on credit management, diligently using market intelligence through our global credit teams, resulted in a significantly reduced loss on debitors.

Earnings

Earnings before tax was one of our best results ever

Earnings before tax almost doubled to USD 77.3 million from USD 40.2 million in the previous year. This exceeded our expectations. Not least regarding the market we operate in, we can only view this as very satisfactory.

Current assets

Increase in net working capital

Because of the significant increase in the oil price compared to last year, and the upward direction of volumes of marine fuel transacted, we also recorded a very liquid balance sheet of USD 1,556 million.

Borrowings and free cash flow

High activity was followed by increased borrowings

Net borrowings were at USD 258 million. This was significantly below our net working capital and achieved in a year that saw an ambitious expansion of Bunker One Physical as well as an increase in oil prices. Cash flow from operating activities of USD -56 million was mainly driven by the growth in activity and oil price.

Equity

Maintained strong equity base

Equity increased steadily to USD 318 from USD 254 million. It was not only increased with our net profit, but also strengthened by support from our owner through further capitalization of Bunker Holding Group. As a result, despite highly increased oil prices and a growing business activity, we remain rock-solid.

Employees

More highly skilled and dedicated employees

In order to meet the customers' demand for services during the year, we grew the number of employees in average from 631 in last financial year to 689 in 2018/19.

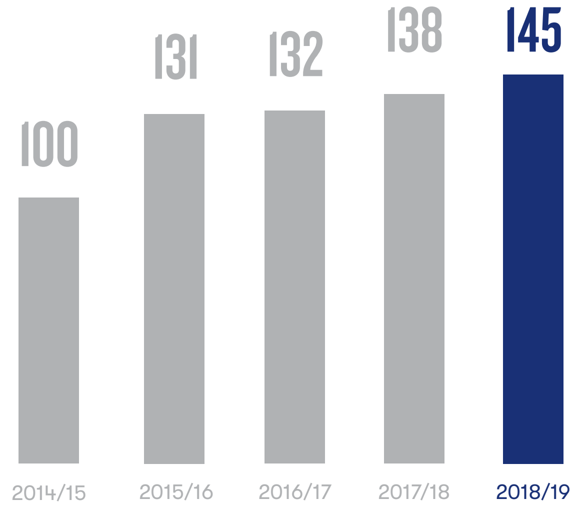
Expectations for the new year

Positive outlook for 2019/20

In continuation of one of our best results ever we expect a result for the financial year 2019/20 to be at the same level of what we have achieved this year. Underpinned by our strong financial position we expect to see positive effects of the implementation of the IMO 2020 regulation. Combined with the effect of our strategic initiatives, we believe that we can maintain the current momentum.

KEY FIGURES AND FINANCIAL RATIOS

VOLUME
2014/15 = index 100



EARNINGS BEFORE TAX 77 USD MILLION

GROSS PROFIT 302 USD MILLION

EQUITY 318 USD MILLION

FINANCIAL HIGHLIGHTS

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

USD'000	**2018/19**	2017/18	2016/17	2015/16	2014/15*
Income statement					
Revenue	10,644,302	8,152,520	6,459,080	5,645,263	8,370,200
Gross profit	301,814	221,526	206,937	219,010	248,494
Earnings before interest and tax (EBIT)	98,863	50,264	40,699	65,289	82,319
Earnings before tax (EBT)	77,299	40,161	34,648	59,157	**91,198
Earnings after tax (EAT)	60,797	30,612	27,299	46,920	**68,108
Balance Sheet					
Total assets	1,556,449	1,282,282	1,046,787	756,852	895,206
Total equity	318,050	253,757	252,953	268,516	295,223
Cash Flow Statement					
Cash flows from operating activities	-57,261	125,827	-109,012	39,646	138,893
Cash flows from investing activities	-8,401	-11,956	-6,850	-23,377	-7,197
Cash flows from financing activities	10,349	-32,703	-44,374	-70,507	-28,973
Change in cash and cash equivalents	-55,313	81,168	-160,236	-54,238	102,723
Financial ratios					
Gross margin	2.8%	2.7%	3.2%	3.9%	3.0%
Profit margin	0.9%	0.6%	0.6%	1.2%	1.0%
Return on equity	21.3%	12.1%	10.5%	16.6%	24.6%
Liquidity ratio	1.33	1.19	1.26	1.47	1.44
Solvency ratio	20.4%	19.8%	24.2%	35.5%	33.0%
Annual full-time employees	689	631	630	653	625

* 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.

“WE ARE GUIDED BY ACTIVE AND VISIONARY OWNERS”

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

FAMILY BUSINESS

The history, the ethos, the values, and not least the future of Bunker Holding is quite literally never out of sight for employees at our headquarters. It is simply a matter of looking a few hundred yards down the coast. Here stands the historic turbine building that today houses the family office of the Group's founder and chairman.

The view goes both ways. Mr. Østergaard-Nielsen may have left daily operations to a trusted management team, but alone amongst the grand old men who invented bunker trading in the early 1980s, he is still actively involved. Both literally and figuratively, the founder has made sure that his life's work remains in clear sight.

He intends to remain active for many years to come, but he is also diligently preparing for the day when the next generation will take over the reins. He is determined that Bunker Holding will remain in his family's ownership for generations to come. He wants it to be led by an able and experienced management team but guided by active, knowledgeable and visionary owners who ensure that his values continue to pervade the company.

TØN'S Law

The view from the owner's office is a panorama of the narrow and idyllic Danish strait of Lillebælt. This is where a small shipping company started operating along the coastline in 1876. A century later, Mr. Østergaard-Nielsen was a young and entrepreneurial managing director here when he envisioned a place in the market for an independent bunker trading company.

For the first few years, the pioneering bunker company only served these local waters, but it soon began to expand internationally. Eventually Mr. Østergaard-Nielsen took over the full ownership of the company and built it into the global industry leader it is today, with offices in 31 countries. But both headquarters and family office remain firmly rooted where it all started.

TØN, as he is affectionately known by all employees, is still a very active presence in the Group. His values on which the company was founded are embedded into everything and are commonly referred to as "TØN's law".

Mr. Østergaard-Nielsen and his two daughters intend to maintain and strengthen the family's active ownership and guiding hand of United Shipping & Trading Company, a global group of companies that includes Bunker Holding and employs more than 1,750 people.

The next generation

One of the most important tasks for the founder these years is to endow the Selfinvest Family Office, the root of the USTC ownership, with all the know-how and experience he has accumulated over the past several decades. Equally important, the family is actively executing a strategy for ensuring that the next generation themselves are intimately familiar with the bunkering world.

In this way, Mr. Østergaard-Nielsen intends to build upon one of the unique strengths of Bunker Holding: The personal experience and intuitive understanding that the owner has had with every aspect of the bunkering business. Just as Mr. Østergaard-Nielsen started out trading bunkers and talking to shipowners and operators, his daughters Nina and Mia are actively involved in the company and getting hands-on experience with the nuts and bolts of bunkering. Nina has worked in a management position with us for years, and Mia is a member of the Board of Directors.

"MR. ØSTERGAARD-NIELSEN INTENDS TO REMAIN ACTIVE IN THE GROUP FOR MANY YEARS TO COME. BUT HE IS ALSO DILIGENTLY PREPARING FOR THE DAY WHEN THE NEXT GENERATION WILL TAKE OVER THE REINS"

Not least helped by Bunker Holding's perfect run of 37 profitable years in a row, the Selfinvest Family Office rests on rock-solid financial foundations, and continually shows its prowess at safeguarding and growing its fortune. Part of it is maintained in very liquid assets, ready to embrace any opportunity and answer any challenge at a moment's notice. Indeed, over the years, the owner has demonstrated his willingness to support his companies when the need arises. This sense of obligation and moral duty and proof of integrity and reliability may be hard to quantify in a spreadsheet. Nevertheless, even for Excel-happy bankers it is a telling and important characteristic, and one that strengthens their confidence in the continued success of Mr. Østergaard-Nielsen's lifework.

2020 PLAYS INTO ALL OUR STRENGTHS

On January 1, 2020, new international regulations will encourage the shipping industry to look at bunkering the same way we always have.

For Bunker Holding, bunkers have never been just a simple commodity. The customers have always been in the centre of everything we do. They still are today. Since we delivered our very first bunker decades ago, we have acted not just as a bunker supplier, but as a trusted advisor and business partner. Today, as always, we understand the entire value chain and use this knowledge to make the bunkering process straightforward and seamless.

We deliver not just the right product, but also the ideal financing and the best advice.

Our success has been driven by the many customers who already understand our ability to create value. In 2020, everyone else will also begin to appreciate the difference we make.

A paradigm shift in the industry

The new emission limits that take effect next January will be a paradigm shift in the maritime industry. As the sulphur limit for bunker fuels is cut from 3.5% to 0.5%, several very different products will come into play, each with their own advantages and challenges. Choosing the right one will require planning and know-how. No longer will one solution fit all ships in a fleet. Individual strategies must be developed for different routes and different geographical regions.

The right strategy means great advantages

The ship-owner who gets it right will gain a significant economic advantage in the market, while getting it wrong can be costly.

Do you go for compliant low-sulphur bunkers and pay the extra premium? Do you plan for the future with next-generation bunkers like LNG? Do you choose high-sulphur bunkers that are very affordable but require the installation of expensive scrubbers in the vessel? Nightmare scenarios include investing in scrubbers for a vessel, only to arrive in a niche port where cheap high-sulphur bunkers are not available.

2020 requires that you find a bunker supplier with deep expertise, global reach, strong business partnerships, and insight into supply and demand patterns. You need more than just a bunker supplier, you also need a service and solution provider. Someone who is prepared to take on a new role as business partner and trusted advisor.

> "WE HAVE ALWAYS ACTED AS A TRUSTED ADVISOR AND BUSINESS PARTNER WITH OUR CUSTOMERS. WE ARE PLEASED TO SEE THIS ABILITY BECOME A PRECONDITION FOR SUCCESS IN THE INDUSTRY IN 2020"
>
> **Carlos G. Torres**
> Global Head of Physical, Group Operations, Bunker Holding

Rewriting the book of bunkering
For some bunker companies, this is a rewriting of the book of bunkering that will require them to step up their game to an entirely new level. For Bunker Holding, however, it is business as usual. Few bunkering companies in the world are better prepared to deal with this potential paradigm shift. It is a change that plays to our business model and our strengths – and gives us significant advantages in the market.

KYS – Know Your Supplier
Carlos G. Torres, Global Head of Physical at Bunker Holding, likes to tell attendants at international maritime conferences that just as they have always remembered to say KYC – Know Your Customer, now they must also remember to say KYS – Know Your Supplier.

For the past year and a half, he has been touring the world with this message. We have been actively advising the maritime industry on future scenarios in bunkering, how best to plan for 2020, and how to mitigate the negative effects of the inevitable disruption that the introduction of the new sulphur limits will bring.

KYS is a wordplay Carlos G. Torres has invented, and he has noticed how it is often brought into play by attendants after one of his keynote addresses. This happens quite regularly, as Bunker Holding has been frequently invited to major conferences and key industry events – often as the only bunkering company.

Among the first movers
Bunker Holding started preparing for 2020 earlier than most. This enabled us to be first in the market with our message. Over the past year, we have been increasingly recognised for our expertise in this crucial area for the maritime industry, and we have gained a degree of visibility we did not have before.

Our rock-solid financial strength is also promising to be an even bigger competitive advantage than it has been already. A significant increase in bunkering costs after 2020 seems inevitable, and many customers will need increased credit lines to cover their extra fuel costs. We are able to offer industry-leading credit terms.

Our 2020 know-how has strengthened our brand, raised our profile, and made us seem even more relevant to many prospective customers.

Carlos G. Torres (center), Global Head of Physical, Group Operations, Bunker Holding

"2020 PLAYS TO OUR BUSINESS MODEL AND OUR STRENGTHS - AND GIVES US SIGNIFICANT ADVANTAGES IN THE MARKET"

Carlos G. Torres
Global Head of Physical,
Group Operations, Bunker Holding

A HEALTHY FEAR OF RISK

Managing risk and volatility is a crucial part of operating as a bunker company. One key reason for Bunker Holding's enviable record of 37 years in the business without a single annual loss is our aversion to risk.

Oil prices can peak and plunge, often quite unpredictably. Shipowners can fail to survive in a difficult market, with serious consequences for those who missed the warning signs and extended credit to them. We are not burdened by either scenario, because we always strive to play it safe.

Taking the risk out of credit

We hedge any non-back-to-back transactions, just as we research and analyse before committing to any credit risk. If we present a fixed price to a customer, we always hedge the risk so any price peak or plunge will not affect us. If we extend credit to a client, we only do so after careful evaluation.

Our credit teams cover all time zones. They work round the clock, round the world, to gather the deep and detailed market knowledge necessary to always make the right call and take the risk out of credit.

Granted, their work is made easier by a decade's worth of in-depth knowledge of the oil market, finance and transport. And certainly, they are helped by Bunker Holding's global reach and strong presence in the market: Numerous reports with market intelligence and observations from traders and analysts on every continent regularly land on their desks. But still, do not underestimate the effort and expertise required in diligently combining all this information with advanced use of market data and carefully assessing credit risk.

When it comes to trading bunkers, we most often do not even have to worry about the market risk. This is because we mainly do back-to-back trading where the risk of oil prices rising or falling is not in play. It is only for inventories or non-back-to-back transactions that we need to mitigate the price risk by hedging. And we only hedge to protect, never to speculate. Position-taking is not part of our earnings.

Protecting systems and data

Over recent years, we have made significant investments in IT security that effectively protects systems and data. We have in particular upgraded the IT infrastructure between all our offices, ensuring the highest standards within customer data security. Our credit management system is ensuring that we have consolidated credit information available right on time.

The Group's ability to mitigate fuel price risk and volatility is internationally recognised. Some of the biggest shipping companies and airlines in Europe are customers of Global Risk Management, our independent, specialised business unit.

“ONE KEY REASON FOR OUR RECORD OF 37 YEARS IN THE BUSINESS WITHOUT A SINGLE ANNUAL LOSS IS OUR AVERSION TO RISK”

Michael Krabbe
Chief Financial Officer, Bunker Holding

Trading in financial instruments, like Global Risk Management does with fuel price hedging, means being subject to strict regulations on equity, solvency and transparency, among others. Global Risk Management is licensed as an investment firm with the Danish Financial Supervisory Authority.

OUR RISK AREAS

CREDIT

All our customers and other business partners are regularly credit rated. We have thorough internal procedures in place to minimise the credit risk. The negative impact from defaulting payers is mitigated by international conventions for obtaining maritime liens.

We insure the credit risk on some receivables. This is when we find this to be appropriate because of the creditworthiness of the counterparty, or because of the size of the credit exposure.

MARKET

We always hedge our oil price exposure when we enter into fixed price agreements with customers for delivery of bunkers on a future date. However, as noted in the article, the bulk of our trading activities is back-to-back trading where the oil price risk is not a factor.

The Group possesses stocks of oil. We mitigate the oil price risk associated with these through hedging. For operational reasons, we do allow a small risk for each company that is involved in physical activities.

We are also exposed to currency risk, interest rate risk and liquidity risk. Please read note 11.

OPERATION

We can face risk because of our own shortcomings, such as failed internal processes, people or systems. We combat these potential and theoretical failings through management involvement, internal control procedures, a high level of IT security, as well as internal education and employee compliance training.

"WITH A LEADING POSITION COMES RESPONSIBILITY"


ON
OFF
BALL VALVE

INVESTING IN HUMAN CAPITAL

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

Bunker Holding has made a strategic decision to become more ambitious with our capital growth than ever before. Not with our financial capital, mind you, but with our human capital.

Financially, we are sailing smoothly through calm waters. We operate from a rock-solid financial position with a strong creditworthiness. Now we find it imperative to achieve this same level of excellence with Bunker Holding's other asset, which we think is our most important one.

Our human capital is the skill, knowledge, experience and motivation possessed by our 726 employees around the world. As we prepare to navigate through changing times for our industry where agility and innovation are prerequisites for continued success, our organisation must be primed for the task. Employees must accept change and embrace new strategic directions. Managers must identify talent and support the best and brightest employees in being all they can be. And the organisation must create the foundation and framework that can enable all this.

A strong culture and a shared purpose
Crucially, we believe we already have the foundation. We are owned by our founder and will remain in family ownership. This has bestowed the Group with a compelling history, a strong culture, and not least a shared purpose. All of us at Bunker Holding feel that we are connected to something bigger, something important and valuable.

To build upon this great foundation, we are steadily building a strong framework: Our human-resources department is executing an ambitious strategy to create an organisation that is both stronger and nimbler than ever before.

Focusing on talent development
One very important pillar in this 21st century organisation is talent development. We believe that our ability to attract, develop and retain the best employees is imperative. For this reason, talent development is also one of the most important success criteria that we measure our managers on. We want them to bring out the best performance, creativity and expression in everyone, and also to identify tomorrow's leaders and help these talents make it to the top.

Another important element in our strategy is our corporate structure. We find that a traditional corporate hierarchy is too headquarters-centric and thus risks being too disconnected to its daily business, losing a degree of agility and business acumen. Bunker Holding sets the overall direction, but we do not dictate a detailed road map in how to get there.
Instead, we support our managers and employees in achieving their goals.

Strength in diversity
With more than 50 nationalities working in offices in 31 different countries, Bunker Holding is also a mirror image of our globalised world. This diversity is something we embrace and regard as a strength.

While we have certainly not reached the goal line yet, we have worked hard to build upon our investment in human capital over the past several years, and we have already witnessed significant positive results.

Our teams continually succeed in identifying important trends and promising opportunities, and they have shown themselves adept at reacting on them proactively. We are also very gratified by their positive reaction to the significant strategic changes we have recently implemented.

We take this as confirmation that we have set our Group on the right course for the future.

"OUR HUMAN CAPITAL IS THE SKILL, KNOWLEDGE, EXPERIENCE AND MOTIVATION POSSESSED BY OUR 726 EMPLOYEES AROUND THE WORLD"

Alexander A. Jaffe
Group Director
HR & Communications
Bunker Holding

TRANSFORMATION & LEADERSHIP

PREPARING FOR 2030

"WE WANT TO ENABLE FUTURE MANAGERS TO BE MENTALLY PREPARED TO EMBRACE THE OPPORTUNITIES AND TACKLE THE CHALLENGES THAT WAIT FOR US"

Mads Gammelgaard Tørnqvist
Head of Transformation & Leadership, Group HR
Bunker Holding

We all know that 2020 will be disruptive. But there is no doubt that moving towards 2030 we will see enough volatility, uncertainty and complexity to threaten the very way the maritime industry does business.

Of course, we have no idea exactly when and what will happen. But we are quite convinced that the future will present our industry with disruptive events and paradigm shifts that will test our mettle in unprecedented ways. Because in the past, that is what the future has always done.

Last year, Bunker Holding launched an ambitious talent programme with the aim to prepare our coming managers and executives for these disruptive events. We intend to enable them to turn future threats into opportunities, just as we have done with 2020's emission cap.

Since no one knows the nature of the next disruptive event, it is also impossible to foresee the skill sets needed to tackle it. Consequently, The Accelerator Programme does not waste time making the participants experts in fields that are important to our business today but may not be relevant a decade from now.

Instead, the two-year programme is much more ambitious: It aims to enable its graduates to be mentally prepared to embrace opportunities and tackle challenges. Its goal is to ensure that their careers with Bunker Holding will be characterised by their open minds, their bravery, and their ability to decipher a new agenda and then act on it with equal measures of intelligence and decisiveness.

Future ambassadors for change

Bunker Holding has invested heavily in talent development for years, with our Bunker Holding International Business Academy welcoming employees from all over the world. This reflects our belief that in the future, human capital is key to growth and success.

But even by our standards, The Accelerator Programme stands out. Comparable to an MBA in terms of personal commitment for the participant and financial commitment for the company, the inaugural class consists of just a dozen employees, carefully selected for their promise as future ambassadors for change.

Following an intense curriculum – enhanced with mentors, external coaches and intimate fireside chats with our owner – we hope that these graduates will eventually be able to identify opportunities within the Group that even the management team is not aware of. And, of course, prepare us for 2030, whatever that may be.

GLOBAL BUNKERING, LOCAL EXPERTS

Our bunkering is global, but our experts are local. They watch the sun rise over the Sea of Japan, see the clouds blanket Cape Town's Table Mountain in the afternoon, and admire how the curving roofs of the Sydney Opera House glow at sunset. Less poetically, they are on first-name terms with every supplier in Valparaiso, understand the complexities of bunkering in the Barents Sea, and know how to allow for low tide in the Houston Ship Channel.

Our company is not fuelled by oil, but by 726 dedicated experts spread all over the world. Between them, they represent more than 50 different nationalities, work from 59 offices in 31 different countries, and operate in every time zone.

POWERING OUR KNOWLEDGE

Knowledge is power. This insight is over a millennium old, but Bunker Holding's digital transformation shows that the adage still holds true.

Our ongoing digital journey is a technological leap that is giving us a significant advantage in an increasingly complex and information-hungry market. It enables us to identify and act on our strengths around the globe, and helps our clients bunker confidently and intelligently.

Richer and faster services

We have been working hard on the digital transformation for several years. Our customers are reaping the fruits as we create more value for them by providing richer and faster services. At the same time, we are becoming more agile and competitive.

Today, we can list a number of ways we have sharpened our competitive edge. We have improved our qualitative decision-making; increased our ability to exploit strengths in the organisation; become more agile; and better able to serve customers with timely and insightful information. As the IT project progresses, the list will only grow longer.

With employees in 31 countries on all continents, fast and intuitive internal communication between our offices has long been a priority for us. The new IT solutions will increase collaboration and allow us to share local knowledge globally. For example, a trader in Durban can easily access data from our office in Vladivostok and get insights on pricing, volume, market conditions and product distribution. With this insight, he can provide his customer with expert advice about a local market far beyond the Indian Ocean.

"OUR NEW IT SOLUTIONS ARE A TECHNOLOGICAL LEAP THAT WILL GIVE US A SIGNIFICANT ADVANTAGE IN AN INCREASINGLY COMPLEX AND INFORMATION-HUNGRY MARKET"

Peer Omann
Group IT Director, Bunker Holding

BUNKER HOLDING AROUND THE WORLD

AMERICAS
17 offices

EUROPE
22 offices

ASIA
13 offices

OTHERS
7 offices

PHYSICAL SUPPLIES LIKE NEVER BEFORE

Peter Zachariassen, Global Director, Bunker One Physical

With more than 50 tankers and barges serving clients from the icy North Atlantic to the balmy Caribbean and beyond, Bunker One's size and global reach is impressive by any standard. Especially when you consider that we only launched as an independent physical supplier in February of 2018.

In the course of little over a year, Bunker One has consistently outperformed the market, expanded our presence to ever more ports, and become internationally known and respected for our expertise.

This exceptionally strong performance has resulted in a Bunker One with a larger market share, and supplying a higher volume from a bigger fleet than we dared to anticipate at the launch. Crucially, Bunker One is also delivering strong fundamentals and making a significant contribution to the annual result.

Simply the best rather than the biggest
We have no ambition to be the largest physical supplier in the market. Instead, we have from the very beginning been determined to become recognised as the best. We started out by taking stock of the market and identifying areas where we could improve on the status quo and deliver a better experience for shipowners. The brand promise we settled on is enhanced simplicity. We decided to offer the most seamless, streamlined bunkering process, thereby making it easier, safer and swifter for ships to refuel. At the same time, we wanted to become known for our speed and agility, and for our ability to quickly react to new opportunities.

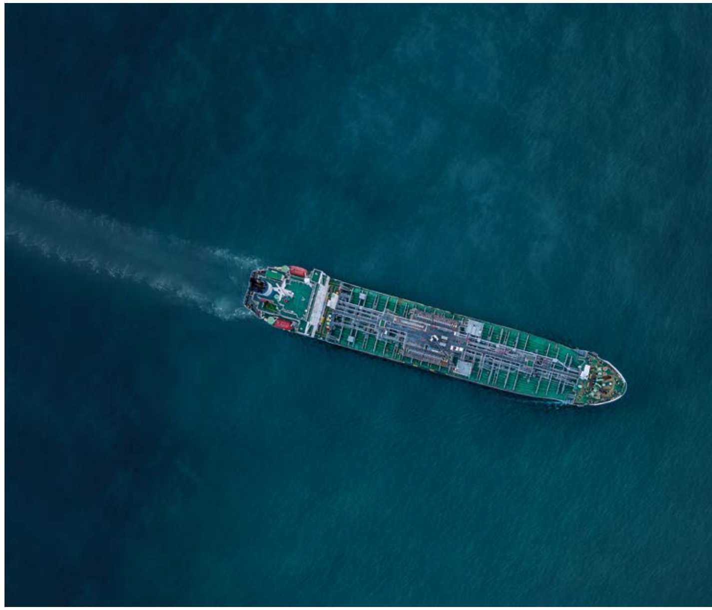
To deliver this kind of innovation, flexibility, and industry-leading service has only been possible because as a start-up we had the luxury of being able to define how the optimal organisation should look. Where established companies will need to perform some complex and painful business process re-engineering to match us, we simply laid the perfect foundation and built up the company from there.

Of course, all start-ups have this opportunity. What gave Bunker One a unique advantage was our best-of-both-worlds position. On the one hand: An innovative and agile small company. On the other hand: A member of the world's leading bunkering group with rock-solid financials and a name that commands trust and respect in ports worldwide.

A very experienced team
An additional advantage for Bunker One is our people. The company may be young, but our organisation – from the Manager to his hand-picked experts – comes with many years of experience in physical supply.

Bunker One focuses on niche ports where we can make a difference, but we are also present in major ports like Singapore and Hamburg. We deliver all grades of fuel oil, gasoil and other distillates, and even LNG to European ports. We have already been involved in successful LNG bunkering in a number of ports on the continent.

Also, we are working with biofuels as they play an important role in the transition towards green energy.



"WE DECIDED TO OFFER THE MOST SEAMLESS, STREAMLINED BUNKERING PROCESS, THEREBY MAKING IT EASIER, SAFER AND SWIFTER FOR SHIPS TO REFUEL"

Peter Zachariassen
Global Director, Bunker One Physical

"FUELLING SIMPLICITY"


Bunker
One

CORPORATE SOCIAL RESPONSIBILITY

Bunker Holding perceives corporate social responsibility as the duty to work progressively to reduce negative and increase positive impacts on the individual, the society and the environment.

Our business areas
Bunker Holding Group is a global leader in purchasing, selling and supplying marine fuel and lube oil for ships. We also provide risk management and other vital services for the shipping industry. Our three main business areas are bunker trading, risk management and physical operations.
Please see page 4-6 for further details.

Our main risk areas
Derived from our business model we have identified the following non-financial risk focus areas:

1. Compliance and quality management
2. Diversity, human rights and gender composition
3. Workplace and safety
4. Environment and community engagement

The section below includes Bunker Holding Group's statement of compliance with the Danish Financial Statements Act, section 99 a.

COMPLIANCE AND QUALITY MANAGEMENT

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. This includes observing all applicable anti-corruption, anti-trust and international trade sanctions.
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 follow ever stricter requirements on protection of personal data.
This has entailed consistent requirements for internal training, preparation of policies and guidelines as well as risk and impact assessments.

Policies and activities

Compliance
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.
By continuously updating our systems and procedures, the Group constantly works to ensure that all information on sanctions is as easily accessible to all employees as possible.

Similarly, 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 relevant applicable laws. Through 2018 and 2019 this has been 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 in general subject to several strict anti-corruption laws, including the Danish Criminal Code, the UK Bribery Act, and the US foreign Corrupt Practices Act.
A representative of Bunker Holding is chairman of the Ethics Committee of The International Bunker Industry Association (IBIA) and plays an active role in the Maritime Anti-Corruption Network (MACN) working towards the vision of a maritime industry free of corruption.

Whistle-blower procedure
In our Code of Conduct (which can be downloaded at our website) we encourage everyone to promptly raise any concern of breach or potential breach of our Code of Conduct, Bunker Holding policies or the law with Bunker Holding's legal department. Bunker Holding will never retaliate or allow retaliation for concerns raised in good faith.

DIVERSITY, HUMAN RIGHTS AND GENDER COMPOSITION

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.
Bunker Holding is very engaged in ensuring a diverse and inclusive workplace with no room for discrimination.

Policies and activities

Equal opportunities
Our policy is that all employees, irrespective of gender, nationality, skin colour and religion, must have equal career and management opportunities. With more than 50 nationalities working in our offices, Bunker Holding is a mirror image of a globalised world. 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. Likewise, Bunker Holding's internal management training programmes are available to anyone with the right skills.
When recruiting new colleagues, we evaluate the professional and personal skills of the candidates. In our view, gender says nothing about a person's competencies, level of commitment or ability to cooperate with others which is why it is no decisive factor for us. In the Bunker Holding offices across the world, our highly skilled staff – male and female – work together in making the most of their talents.
Just as is the case with gender, an individual's religious and sexual orientation will have no impact on his/her career opportunities within our group. We recruit reliable, respectful and competent professionals of any orientation.

Human rights policy
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. By the end of the financial year we employed more than 50 nationalities, and a multitude of different cultural backgrounds. Our youngest employee is only 18 years old – the oldest turned 70.

Gender composition – Board of Directors
The section below includes Bunker Holding Group's statement of compliance with the Danish Financial Statements Act, section 99 b.

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. 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 2020 and 35% for 2021.

As for the subsidiaries A/S Dan-Bunkering Ltd, A/S Global Risk Management Ltd, A/S Global Risk Management Ltd. Fondsmægler-selskab, KPI Bridge Oil A/S and Unioil Supply A/S, there are no female members in the Board of Directors and the targets for 2020 and 2021 are the same as for Bunker Holding A/S. Since there has been no replacements in our board during the year the gender composition in the Board of Directors did not change in the financial year.

Bunker Holding is striving 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 the 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.

In 2018/19 we have strived to ensure the under-represented gender is represented on the list of candidates at other management levels. We have seen the first results of our strong recruitment process in the financial year – and work to see even stronger results in 2019/20.

WORKPLACE AND SAFETY

Bunker Holding is a people's business, and the dedication and expertise of our staff is one of our greatest assets. Bunker Holding strives to create an engaging workplace and optimal working conditions for our staff – and it is very important that we listen, engage, develop, inspire and can offer exciting new opportunities across the Group to ensure that we have motivated and highly skilled experts in every function and every business unit.

Physical 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. This is of particular importance in our Physical business units.

Policies and activities

People Development Review (PDR)
The annual appraisal campaign in Bunker Holding Group is called PDR, People Development Review. The campaign is a structured process with our HR system as a tool to help plan, facilitate and follow up on personal and professional development. It is there to ensure a higher level of transparency between the leader and each employee on personal development plans and career options (short and long term). In 2018/2019, 555 employees and managers across the Group participated in the PDR campaign.

The Accelerator Programme (TAP)
Also, Bunker Holding has started to see the results from its new, ambitious talent programme named The Accelerator Programme (TAP), please see page 28. With this programme 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.

Engagement process
We are very committed to engage and interact with our employees to create a world-class workplace. In the beginning of 2019 we therefore introduced an engagement process to make sure that working in our Group is a motivating and satisfying experience. This means that all employees were invited to take a short survey to provide their feedback and ideas for improvement. All managers are responsible for acting upon the feedback and committed to do so. In April 2019, 85 percent of all employees completed the engagement survey.

We will invest even more in the engagement of our employees, learning from the engagement process, which ended in April 2019. This to harness the many learnings about what motivates our people to come to work every day.

Also, we will continue to invest heavily in developing, attracting and attaining the best talents, among other things through our well-established talent development programme described above. This is key to deliver on our strategic business ambitions going forward.

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

Physical safety: QHSE Management
We are concerned about the safety of our employees, building and maintaining a safe working environment. For our specialised physical shipping activities, we have developed procedures and guidelines meeting best practises of the bunker industry and we strive to be a forerunner in safety and environmental protection in good cooperation with amongst others local authorities and tonnage providers. The right procedures and training of high awareness of internal and external personnel is a key element ensuring a safe working environment and zero tolerance towards accidents and pollutions.

In the Physical business areas several of our business units operate based on a QHSE Management System that meets the requirements of the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 international standards which are certified by DNV GL.

Additionally, we are qualified in the Achilles Joint Qualification System (Achilles JQS) for suppliers to the Oil Industry in Norway and Denmark.

ENVIRONMENT AND COMMUNITY ENGAGEMENT

We are committed to be a socially and environmentally responsible company.

Bunker Holding acknowledges the influence of climate change, along with the role that transportation and energy play in assisting people traveling and goods being transported by sea.

Being a group specialising in oil trading, we do whatever is in our capacity to reduce the impact on the environment. A particularly important area of focus in our line of business is prevention of oil spill, which is why we take all necessary measures to avoid causing harm to the nature. With the sulphur cap just around the corner, we are constantly looking for ways to improve environmental and operational performance and at the same time facilitate man's ability to journey at sea.

Also, we are focused on engaging in projects and communities world-wide where we can help make a difference.

Policies and activities
Our subsidiaries are actively engaged in projects to lower sulphur emissions, and we recycle and seek to reduce power consumption wherever and whenever possible with the aim of protecting our surroundings and the climate from human-induced harm and hazards. For further info please see our Code of Conduct, which can be downloaded at our website.

Also we are very engaged in the new emission limits that take effect in January 2020. In 2018/19 we have been actively advising the maritime industry on future scenarios and how to adhere to the new emission demands (going from 3.5% to 0.5%) – by speaking at industry conferences around the world, attending 1-1 client meetings etc. And we have seen strong results from this work as more and more customers turned to us for advise during the year.

Community engagement
Each single business unit in Bunker Holding in our global set-up has the will to be engaged in 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:

Denmark: Danmarks Indsamling
One of the largest fundraising events in Denmark. In 2018, the event raised funds for homeless children

Denmark: The Danish Cancer Society (Knæk Cancer)
A nationwide campaign run by the Danish Cancer Society raises funds for research, prevention and patient support.

Norway: Team Rynkeby sponsorship
As a Team Rynkeby Bronze sponsor in January 2019, we enjoyed supporting children with critical diseases.

Norway: Save the Children Fund
In December 2018 we worked with Save the Children Fund to give disadvantaged children a special Christmas treat.

Dubai: Dar Al Ber Society
In collaboration with the Dar Al Ber Society we donated and distributed calling cards and Iftar meals to 500 laborers from the Tanzir Labor Camp during the Ramadan season.

India - Kerala relief kits
We funded and physically distributed kits comprising rice, vegetables, salt, clothing, mattresses, personal care items and medicine to more than 1000 people and 100 homes.

USA – Make A Wish Foundation
In the US corporate Christmas gifts were replaced with a donation for the Make A Wish Foundation who works to create life-changing wishes for children with critical illnesses.

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

Born in 1954.
Board member since 1994.
Chairman since 2014.
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 Jensen's Food Group A/S. Chairman of the board in Middelfart Bycenter A/S and Selected Car Leasing A/S.

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

Klaus Nyborg
Vice Chairman

Born in 1963.
Vice Chairman since 2012.
Board management and investment.

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 A/S United Shipping & Trading Company, Norden A/S and Bawat A/S. Vice Chairman of the boards in Uni-Tankers A/S and DFDS A/S. Member of the boards in Karen og Poul F. Hansens Familiefond, X-Press Feeders Ltd. and Moscord Pte Ltd.

Education
Msc in Business & Law, Copenhagen Business School supplemented with 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 boards in A/S United Shipping & Trading Company and 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 boards in A/S United Shipping & Trading Company and 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 2006.
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
Member of the boards in A/S United Shipping & Trading Company, Uni-Tankers A/S, Torm PLC 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 matters, as a member through the years of boards of directors in a number of Danish and foreign companies. Further, 40 years engagement in extensive business and legal matters related to Greenland, such as ship building, corporate structuring particularly within fisheries and infrastructure etc.

Other directorships
Member of the boards in A/S United Shipping & Trading Company, Uni-Tankers A/S, SDK A/S, Iron Pump A/S, Nemco Machinery A/S, Autronica Fire & Security A/S, Stanley Nordic Aps and a number of foundations in Denmark and USA.

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 & acquisitions, financing and management of financial risks.

Other directorships
Chairman of the boards in Fitness World A/S and parent companies, Lomax A/S and parent companies, GDL Transport Holding AB, Nymølle Stenindustrier A/S and the Investment Committee of Zoscales Partners. Member of the boards in A/S United Shipping & Trading Company, Uni-Tankers A/S, DSVM Invest A/S and certain subsidiaries, DANX Holding I A/S and certain subsidiaries, Day et Invest Aps and certain subsidiaries 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.

"WE OPERATE FROM A ROCK-SOLID FINANCIAL POSITION WITH STRONG CREDITWORTHINESS"

TORBEN ØSTERGAARD-NIELSEN, CHAIRMAN AND OWNER

From left: Michael Krabbe, Keld R. Demant and Christoffer Berg Lassen

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 F. Uhrenholt Holding A/S.

Education
Executive Management and Board of Director programs from INSEAD supplemented by shipping training at Oxford University and Lorange Institute.

Michael Krabbe
Group CFO

Born in 1974.
Joined Bunker Holding in January 2019.
Member of the Executive Board and Group CFO.

Special competences
Holds a strong track record of more than 15 years of different senior financial management positions in various industries.

Other directorships
Member of the board in several Bunker Holding Group companies.

Education
Holds a MSc in Finance from Aarhus School of Business and a MSc in Economics and Finance from Warwick University.

Christoffer Berg Lassen
Group CCO

Born 1984.
Joined Bunker Holding in 2004.
Appointed Group CCO in 2018.
Member of the Executive Board and Group CCO.

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	**2018/19**	2017/18
Revenue	1	10,644,302	8,152,520
Costs of goods sold		-10,342,488	-7,930,994
Gross Profit		**301,814**	**221,526**
Other operating income		430	660
Other external expenses	2	-192,084	-163,716
Depreciation, amortisation and impairment	6/7	-11,297	-8,206
Earnings before interest and tax (EBIT)		**98,863**	**50,264**
Share of profit/loss in associated companies	8	1,600	739
Financial income	3	10,701	9,854
Financial expenses	3	-33,865	-20,696
Earnings before tax (EBT)		**77,299**	**40,161**
Corporation tax	4	-16,502	-9,549
Earnings after tax (EAT)		**60,797**	**30,612**
Attributable to:			
Non-controlling interests		168	143
Shareholder in Bunker Holding A/S		60,629	30,469

STATEMENT OF COMPREHENSIVE INCOME

USD'000	Note	**2018/19**	2017/18
Profit for the year		**60,797**	**30,612**
Items that may be reclassified to Income Statement			
Fair value adjustment of derivative financial instruments		-6,255	2,784
Exchange differences on translation of foreign operations		-29	512
Income tax relating to these items		1,310	-604
Other comprehensive income		**-4,974**	**2,692**
Total comprehensive income		**55,823**	**33,304**
Attributable to:			
Non-controlling interests		127	169
Shareholder in Bunker Holding A/S		55,696	33,135

STATEMENT OF FINANCIAL POSITION

USD'000	Note	2018/19	2017/18
Non-current assets			
Intangible assets	6	33,566	36,322
Property, plant and equipment	7	20,564	20,502
Investments in associates	8	5,317	3,717
Receivables		805	16
Deferred tax	4	9,518	9,316
Total non-current assets		**69,770**	**69,873**
Current assets			
Inventories		177,745	100,339
Trade receivables	11	938,511	872,841
Tax receivables		6,193	6,301
Other receivables		62,965	40,577
Derivatives	9	112,334	72,033
Cash and cash equivalents		188,931	120,318
Total current assets		**1,486,679**	**1,212,409**
Assets		**1,556,449**	**1,282,282**

USD'000	Note	2018/19	2017/18
Equity			
Share capital		1,781	1,781
Reserves		3,326	6,700
Retained earnings		312,943	244,661
Equity, Shareholders		**318,050**	**253,142**
Non-controlling interests		0	615
Equity	12	**318,050**	**253,757**
Non-current liabilities			
Borrowings	11	114,711	5,598
Deferred tax	4	4,092	3,906
Total non-current liabilities		**118,803**	**9,504**
Current liabilities			
Borrowings	11	332,569	318,643
Trade payables		590,664	536,660
Corporation tax		12,953	10,804
Derivatives	9	127,449	115,035
Other payables		55,961	37,879
Total current liabilities		**1,119,596**	**1,019,021**
Total liabilities		**1,238,399**	**1,028,525**
Total equity and liabilities		**1,556,449**	**1,282,282**

STATEMENT OF CHANGES IN EQUITY

USD'000	Share capital	Hedging reserve	Foreign currency translation reserve	Reserve for other equity investments	Retained earnings	**Equity attributable to owners**	Non-controlling interests	**Total equity**
2018/19								
Equity at 1 May	1,781	6,078	-2,784	3,406	244,661	253,142	615	253,757
Earnings after tax (EAT)	0	0	0	1,600	59,029	60,629	168	60,797
Other comprehensive income net of tax	0	-4,945	-29	0	41	-4,933	-41	-4,974
Total comprehensive income for the year	**0**	**-4,945**	**-29**	**1,600**	**59,070**	**55,696**	**127**	**55,823**
Capital increase	0	0	0	0	10,027	10,027	0	10,027
Dividend to shareholder	0	0	0	0	0	0	0	0
Other equity movements	0	0	0	0	-815	-815	-742	-1,557
Total transactions with shareholder	**0**	**0**	**0**	**0**	**9,212**	**9,212**	**-742**	**8,470**
Equity at 30 April	**1,781**	**1,133**	**-2,813**	**5,006**	**312,943**	**318,050**	**0**	**318,050**
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**
Dividend to shareholder	0	0	0	0	-32,500	-32,500	0	-32,500
Total transactions with shareholder	**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**

CASH FLOW STATEMENT

USD'000	**2018/19**	2017/18
Earnings before interest and tax (EBIT)	98,863	50,264
Amortisation and depreciation for the year	11,297	8,206
Changes in receivables	-129,148	-139,500
Changes in inventories	-77,406	-1,268
Changes in trade payables, other payables, etc	81,548	233,103
Cash flow from operating activities before financial items and tax	**-14,846**	**150,805**
Financial income received	10,701	9,854
Financial expenses paid	-33,865	-20,696
Corporation tax paid	-14,261	-15,694
Other adjustments	-4,190	1,558
Cash flows from operating activities	**-56,461**	**125,827**
Business acquisition	-1,557	-2,294
Investment in associates	0	-7
Purchase of intangible assets	-3,551	-6,021
Purchase of property, plant and equipment	-3,738	-4,131
Sale of property, plant and equipment	445	497
Cash flows from investing activities	**-8,401**	**-11,956**
Proceeds from borrowings	334,324	0
Repayment of borrowings	-334,802	-503
Capital increase	10,027	0
Dividend paid	0	-32,500
Dividend received from associates	0	300
Cash flows from financing activities	**9,549**	**-32,703**
Change in cash and cash equivalents	**-55,313**	**81,168**

USD'000	**2018/19**	2017/18
Cash and cash equivalents at 1 May	-198,325	-279,493
Change in cash and cash equivalents	-55,313	81,168
Cash and cash equivalents at 30 April	**-253,638**	**-198,325**
Cash and cash equivalents	188,931	120,318
Borrowings	-442,569	-318,643
Cash and cash equivalents at 30 April	**-253,638**	**-198,325**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NOTE 1 — REVENUE

USD'000	**2018/19**	2017/18
Sale of goods and services	10,617,069	8,132,460
Commodity derivatives	27,233	20,060
Total	**10,644,302**	**8,152,520**
Revenue specified on geographical areas:		
Europa	5,804,714	3,984,654
Asia	3,063,491	2,688,123
Americas	1,392,424	1,144,849
Other	383,673	334,894
Total	**10,644,302**	**8,152,520**

NOTE 2 — OTHER EXTERNAL EXPENSES

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

USD'000	**2018/19**	2017/18
Staff expenses		
Wages and salaries	99,810	78,432
Pensions	4,030	3,652
Other social security expenses	6,523	4,742
Total	**110,363**	**86,826**
Number of employees at 30 April	**726**	**654**
Annual full-time employees	**689**	**631**

NOTE 3 — FINANCIAL INCOME AND EXPENSES

USD'000	**2018/19**	2017/18
Interest expenses on liabilities	-31,413	-19,225
Interest income on loans and receivables	9,418	8,400
Securities, capital losses	-1,344	-772
Net interest expenses	**-23,339**	**-11,597**
Net foreign exchange gains/losses	1,286	1,437
Fair value gains/loss from currency derivatives	-1,111	-682
Net fair value gains/losses	**175**	**755**
Financial expenses, Net	**-23,164**	**-10,842**
Of which:		
Financial income	10,701	9,854
Financial expenses	-33,865	-20,696

NOTE 4 — TAXES

USD'000	Income statement	Other comprehensive income	Total
2018/19			
Current tax for the year	-16,857	1,310	-15,547
Tax concerning previous years	334	0	334
Adjustment of deferred tax	21	0	21
Total tax for the year	**-16,502**	**1,310**	**-15,192**
2017/18			
Current tax for the year	-11,286	-604	-11,890
Tax concerning previous years	-107	0	-107
Adjustment of provision for deferred tax	1,844	0	1,844
Total tax for the year	**-9,549**	**-604**	**-10,153**

Reconciliation of tax expenses

USD'000	**2018/19**	2017/18
Earnings before tax	77,299	40,161
Share of profit/loss in associated companies	-1,600	-739
Non-deductible expenses, net	3,909	3,115
Other adjustments	-802	-62
Earnings before tax adjusted	**78,806**	**42,475**
Tax using the Danish corporation tax rate	-17,337	-9,344
Tax rate deviations in foreign jurisdictions	1,409	-632
Adjustment to previous years' taxes	334	-107
Other difference, net	-908	534
Total Income tax	**-16,502**	**-9,549**

Deferred taxes

USD'000	**2018/19**	2017/18
Deferred tax at 1 May	5,410	3,626
Exchange rate adjustment	15	-60
Adjustment to previous years	-20	0
Recognised in the income statement	21	1,844
Deferred tax at 30 April	**5,426**	**5,410**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	9,518	9,316
Deferred tax liabilities	-4,092	-3,906
Deferred tax at 30 April	**5,426**	**5,410**

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 2,2 million in 2018/19 (2017/18: USD 0k) **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	
	2018/19	2017/18	**2018/19**	2017/18
Intangible assets	2,268	1,609	-1,733	-1,542
Property, plant and equipment	398	97	-1,097	-882
Other assets	2,195	1,098	-1,262	-1,482
Provisions	781	635	0	0
Tax losses etc.	3,876	5,877	0	0
Deferred tax at 30 April	**9,518**	**9,316**	**-4,092**	**-3,906**
Expected to be utilised as follows:				
Within 12 months	1,904	1,863	-818	-781
After 12 months	7,614	7,453	-3,274	-3,125
Total	**9,518**	**9,316**	**-4,092**	**-3,906**

NOTE 5 — BUSINESS COMBINATIONS

USD'000	Country	Acquired ownership	Acquisition date	Main activity	Consideration
2017/18					
PSTV Energy DMCC	Dubai	100%	2 January 2018	Phycial bunker operations	2,294

2018/19
The acquisition of PSTV Energy DMCC was during 2018/19, within the first 12 month after the control was gained, subject to a reevaluation of the assets acquired. The reevaluation has been recorded as goodwill (USD 1,5 million) and as customer relationships (USD 1,5 million)

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 Holding'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.

Assets acquired and liabilities recognised at the date of acquistion in 2017/18:

USD'000	PSTV Energy DMCC
Non-current assets	
Intangible assets	2,000
Property, plant and equipment	0
Receivables	0
Current assets	
Trade receivables	0
Cash at bank and in hand	0
Equity	**0**
Current Liabilities	
Trade payables	0
Other liabilities	0
Total allocation to net assets	**2,000**
Goodwill arising on acquistion	294
Total purchase price allocation	**2,294**
of which acquired cash and cash equivalents	0
Total consideration	**2,294**

The acquired business contributed to the group in 2017/18 with:

USD'000	PSTV Energy DMCC
Since date of acquistion	
Revenue	71,727
Earnings after tax (EAT)	401
If acquired 1 of May:	
Revenue	71,727
Earnings after tax (EAT)	401

NOTE 6 — INTANGIBLE ASSETS

USD'000	Goodwill	Patents, trademarks and other rights	IT development and software	Customer relationships	**Total**
2018/19					
Cost at 1 May	12,618	17,007	11,562	31,742	72,929
Exchange rate adjustment	0	0	-63	0	-63
Additions	1,452	0	3,551	1,500	6,503
Acquired in business combinations	0	0	0	0	0
Disposals	0	0	-833	0	-833
Cost at 30 April	**14,070**	**17,007**	**14,217**	**33,242**	**78,536**
Depreciation at 1 May	0	-10,264	-2,944	-23,399	-36,607
Exchange rate adjustment	0	0	60	0	60
Depreciation	0	-1,071	-1,350	-3,671	-8,423
Reversed depreciation of disposals	0	0	0	0	0
Impairment losses	0	-2,331	0	0	0
Depreciation at 30 April	**0**	**-13,666**	**-4,234**	**-27,070**	**-44,970**
Carrying amount at 30 April	**14,070**	**3,341**	**9,983**	**6,172**	**33,566**
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**

NOTE 6 — INTANGIBLE ASSETS (CONTINUED)

Goodwill on cash generating units

USD'000	2018/19	2017/18
LQM Petroleum Services LLC	5,569	5,569
Amoil (Pty) Ltd	773	773
Other	7,728	6,276
Carrying amount at 30 April	**14,070**	**12,618**

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	2018/19	2017/18
LQM Petroleum Services LLC		
Annual growth rate %	2,0%	2,0%
EBIT Margin %	26%	27%
Discount rate	8,7%	7,9%
Amoil (Pty) Ltd		
Annual growth rate %	2,0%	2,0%
EBIT Margin %	21%	33%
Discount rate	11,0%	9,7%
Other		
Annual growth rate % (avg.)	2,0%	2,0%
EBIT margin % (avg.)	37%	37%
Discount rate (avg.)	9,8%	8,8%

Management must determine 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 after tax 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 2018/19 (2017/18: 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
2018/19				
Cost at 1 May	17,073	4,189	12,544	33,806
Exchange rate adjustment	-1,212	-71	-421	-1,704
Additions	448	666	3,457	4,571
Disposals	-97	-388	-737	-1,222
Cost at 30 April	**16,212**	**4,396**	**14,843**	**35,451**
Depreciation at 1 May	-2,516	-2,218	-8,570	-13,304
Exchange rate adjustment	182	34	298	514
Depreciation	-357	-658	-1,859	-2,874
Reversed depreciation of disposals	0	171	606	777
Depreciation at 30 April	**-2,691**	**-2,671**	**-9,525**	**-14,887**
Carrying amount at 30 April	**13,521**	**1,725**	**5,318**	**20,564**
Finance leases amounts	**0**	**0**	**0**	**0**

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
Additions	884	709	2,538	4,131
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
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**

NOTE 8 — INVESTMENTS IN ASSOCIATES

USD'000	2018/19	2017/18
Cost at 1 May	311	304
Additions	0	7
Cost at 30 April	**311**	**311**
Value adjustments at 1 May	3,406	2,667
Exchange rate adjustment	0	0
Share of profit for the year	1,600	739
Dividend	0	0
Value adjustments at 30 April	**5,006**	**3,406**
Carrying amount at 30 April	**5,317**	**3,717**

USD'000	Country	Currency	Method	2018/19	2017/18
Kaeline Investment Ltd	Cyprus	USD	Equity	50%	50%
Nordliq A/S	Denmark	DKK	Equity	33%	33%

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	2018/19		2017/18	
	Assets	Liabilities	Assets	Liabilities
Commodity swaps	189,200	-194,883	356,140	-389,580
Commodity futures	106,028	-71,660	307,907	-263,838
Fixed price physical	1,080	0	657	-143
Commodity options	13,658	-13,745	6,038	-5,506
Forward foreign exchange contracts	6,077	0	0	-4,818
Gross balance	**316,043**	**-280,288**	**670,742**	**-663,885**
Balances qualifying for offsetting				
Commodity swaps, -futures and -options	-146,074	146,074	-614,612	620,891
Net balance	**169,969**	**-134,214**	**56,130**	**-42,994**
Margin deposits	-57,635	6,765	15,903	-72,041
Amounts presented in the balance sheet	**112,334**	**-127,449**	**72,033**	**-115,035**
Amounts with right to set-off	-38,554	38,554	-39,013	39,013
Net exposure	**73,780**	**-88,895**	**33,020**	**-76,022**

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;

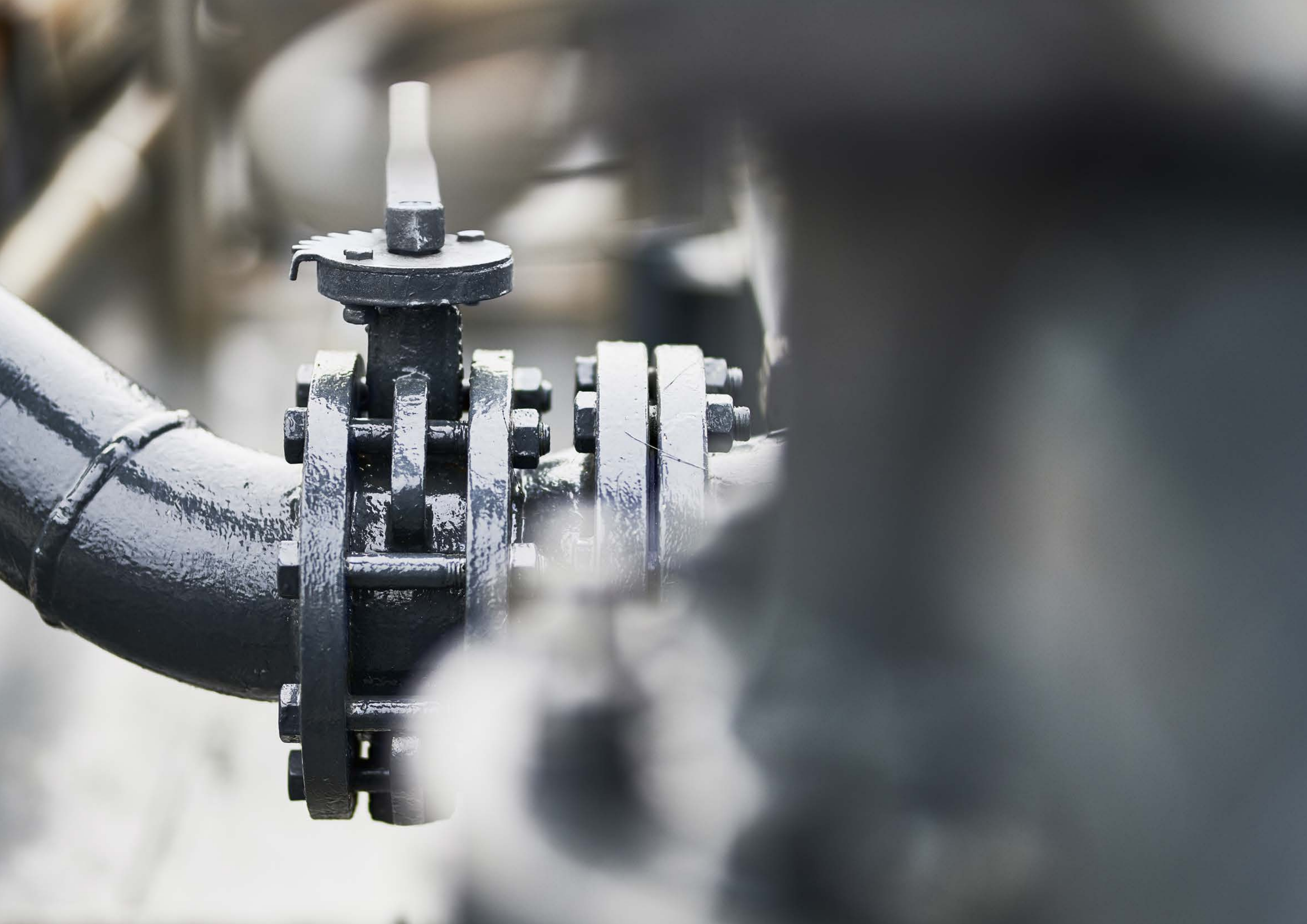
Level 3
Inputs for the assets or liabilities that are not based on observable market data.

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**
2018/19				
Financial assets				
Derivatives	121,466	193,497	1,080	316,043
Total	**121,466**	**193,497**	**1,080**	**316,043**
Financial liabilities				
Derivatives	-79,942	-200,346	0	-280,288
Total	**-79,942**	**-200,346**	**0**	**-280,288**
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**



NOTE 10 — FINANCIAL INSTRUMENTS BY CATEGORY

USD'000	Fair value through income statement	Amortised cost
2018/19		
Financial assets		
Trade and other receivables	805	1,001,476
Derivative financial instruments	112,334	0
Cash and cash equivalents	0	188,931
Total financial assets	**113,139**	**1,190,407**
Financial liabilities		
Trade and other payables	0	646,625
Borrowings	0	447,280
Derivative financial instruments	127,449	0
Total financial liabilities	**127,449**	**1,093,905**
Total	**-14,310**	**96,502**
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**

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 these 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 further 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 4.3 million (2017/18: 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 2019.

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 currencies. 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 positive impact on the Group's EBT by USD 0.2 million (2017/18: negative by USD 0.1 million) and to affect the Group's equity, excluding tax, positively by USD 0.1 million (2017/18: negatively by USD 0.1 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 2.6 million per annum (2017/18: negatively by USD 2.0 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	**2018/19**	2017/18
Non-current liabilities		
Mortgages	4.711	-5,598
Current liabilities		
Mortgages	481	-517
Bank borrowings	442,088	-318,126
Interest-bearing debt	**447,280**	**-324,241**
Cash and cash equivalents	**-188,931**	**120,318**
Net interest-bearing debt	**258,349**	**-203,923**

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
2018/19				
Receivables not due	739,325	0,3%	-2,218	737,107
Less than 90 days overdue	154,126	0,5%	-771	153,355
More than 90 days overdue	60,060	20,0%	-12,011	48,049
Carrying amount	**953,511**	**1,6%**	**-15,000**	**938,511**
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**

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

USD'000	**2018/19**	2017/18
Incurred losses	-16,539	-31,383
Movement in expected credit losses	-5,000	5,000
Reversal of previous incurred losses	957	1,823
Loss recognised in the income statement	**-20,582**	**-24,560**

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

USD'000	**2018/19**	2017/18
Provision 1 May	-10,000	-15,000
Movement in provision for impairment	-5,000	5,000
Carrying amount at 30 April	**-15,000**	**-10,000**

Credit risk (continued)

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 up to a 3-year period ending April 2022. The financing is granted as overdraft facilities without an agreed repayment profile.

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 2018/19, and neither were they breached in 2017/18.

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 2019 Bunker Holding Group had total unutilised credit facilities of USD 642.7 million (2017/18: USD 384.2 million). Besides the unutilised credit facilities the Group has factoring lines and inventory financing facilities of USD 368.9 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**
2018/19					
Borrowings	447,280	322,569	111,861	2,850	447,280
Payables to related parties	609	609	0	0	609
Trade payables	590,055	590,055	0	0	590,055
Other payables	55,961	55,961	0	0	55,961
Derivatives	127,449	125,668	1,781	0	127,449
Financial instruments	**1,221,354**	**1,104,862**	**113,642**	**2,850**	**1,221,354**
Operating lease capital commitments		33,258	17,001	864	51,123
Total	**1,221,354**	**1,138,120**	**130,643**	**3,174**	**1,272,477**
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**

Oil price risk
The majority 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 is 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 0.2 million for 2018/19 and 2017/18.

NOTE 11 — FINANCIAL RISKS (CONTINUED)

Oil price risk (continued)
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 December 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 2019 and 2018, 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:

	2018/19	2017/18
Oil futures and swaps hedging future sales of oil		
Notional amount (MT)	19,367	11,917
Carrying amount, assets (USD'000)	0	0
Carrying amount, liabilities (USD'000)	0	0
Maturity dates	May '19-Dec '19	May '18-Oct '19
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD'000)	156	476
Change in value of hedged item used to determine hedge effectiveness (USD'000)	156	476
Weighted average hedge price per metric tonne including forward points (USD)	629.26	615.58

The carrying amount of USD 0.2 million (2017/18: USD 0.5 million) has been netted with carrying amount of the oil futures and swaps hedging futures purchase of oil. Net carrying amount is USD 0.0 million (2017/18: USD -0.4 million).

	2018/19	2017/18
Oil futures and swaps hedging future purchases of oil		
Notional amount (MT)	-27,367	-43,800
Carrying amount, assets (USD'000)	0	0
Carrying amount, liabilities (USD'000)	28	359
Maturity dates	May '19-Dec '19	May '18-Oct '19
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD'000)	-184	-835
Change in value of hedged item used to determine hedge effectiveness (USD'000)	-184	-835
Weighted average hedge price per metric tonne included forward points (USD)	-184	636.44

The carrying amount of USD -0.2 million (2017/18: USD -0.8 million) has been netted with carrying amount of the oil futures and swaps hedging futures sales of oil. Net carrying amount is USD 0.0 million (2017/18: USD -0.4 million)

	2018/19	2017/18
Oil futures and swaps hedging inventory		
Notional amount (MT)	-150,300	-106,561
Carrying amount, assets (USD'000)	0	0
Carrying amount, liabilities (USD'000)	3,521	18,987
Maturity dates	May '18-Jun '19	May '18-Jun '18
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD'000)	-3,653	-18,940
Change in value of hedged item used to determine hedge effectiveness (USD'000)	-3,653	-18,940
Weighted average hedge price per metric tonne included forward points (USD)	512.08	444.72

NOTE 11 — FINANCIAL RISKS (CONTINUED)

Hedging reserve

USD'000	2018/19	2017/18
Cash flow hedging reserve		
Fair value 1 May	-191	787
Fair value changes deferred for the year	1,202	-3,553
Reclassified to sales	-168	-104
Reclassified to costs of goods sold	-975	2,679
Fair value 30 April	**-132**	**-191**
Cost of hedging reserve		
Fair value 1 May	8,326	4,563
Fair value changes deferred for the year	-2,610	9,520
Reclassified to sales	0	0
Reclassified to costs of goods sold	-3,703	-5,757
Fair value 30 April	**2,013**	**8,326**
Total of hedging reserve		
Fair value 1 May	8,135	5,350
Fair value changes deferred for the year	-1,408	5,967
Reclassified to sales	-168	-104
Reclassified to costs of goods sold	-4,678	-3,078
Fair value 30 April	**1,881**	**8,135**

NOTE 12 — EQUITY

The share capital consists of 100,100 shares of DKK 100 (equivalent USD 17.8) at the historical exhange rate of 5.6141 corresponding 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 was USD 325 per share – a total on USD 32,500k

NOTE 13 — UNRECOGNISED ITEMS

Assets pledged as security

USD'000	2018/19	2017/18
Security		
Carrying amount of land and buildings provided as security for debt to mortgage credit institutes	**13,408**	13,195

Contingent Liabilities and Contingent assets

The Group's Danish legal entities are jointly and severally liable for the tax on the Group's jointly taxed income. 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	2018/19	2017/18
Within one year	33,258	16,007
Between one and five years	17,001	9,108
After five years	864	1,366
Total Lease	**51,123**	**26,481**
Lease expenses in the income statement	**41,786**	**30,203**

Capital Commitments

At 30 April 2019 the Group had no material capital commitments (30 April 2018: 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.

NOTE 14 — OTHER INFORMATION

Fees to auditors

USD'000	2018/19	2017/18
PricewaterhouseCoopers		
Audit	731	538
Assurance engagements	1	1
Tax services	674	288
Other services	71	114
RSM		
Audit	200	134
Assurance engagements	0	0
Tax services	93	86
Other services	3	3
Other		
Audit	208	153
Assurance engagements	9	2
Tax services	62	40
Other services	261	267
Total fee for the year	**2,313**	**1,626**

Related parties

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

Bunker Holding A/S 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 (2017/18: 2). The Group's share of associates' profit for the year amounted to USD 1,6 million (2017/18: USD 0.7 million). The carrying amount of the investment was USD 5.3 million at 30 April 2019 (30 April 2018: USD 3.7 million)

Transactions with related parties

The following transactions occurred with related parties:

USD'000	Parent company	Sister companies	Associated companies	Key management
2018/19				
Income statement				
Revenue	0	44,672	2,092	0
Operation costs	0	-9,774	-2,648	0
Other external expenses	-2,244	-3,226	0	-6,203*
Financial, net	0	0	649	0
Assets				
Trade receivables	0	137	81	0
Loan deposits	0	0	13,612	0
Liabilities				
Trade payables	952	-572	-37	0
Loans	0	0	0	0
Dividend paid	0	0	0	0
Dividend received	0	0	0	0
2017/18				
Income statement				
Revenue	0	41,592	1,769	0
Cost of goods sold	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
Load 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

* 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 2018/19 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 17 June 2019 considered and adopted the annual report for 2018/19, which will be presented for adoption by the shareholders at the Company's Annual General Meeting on 17 June 2019.

New and amended standards
The Group has applied new and amended standards and interpretations which are effective for accounting periods beginning on 1 May 2018. The following standards and amendments are relevant to the Group:

- IFRS 15, Revenue from contracts with customers. Part of annual improvements 2014-2016 consisting of minor changes to existing standards IFRS 15 introducues a comprehensive framwork for recognition of revenue. The basic principle is that revenue from sale of goods is recognised along with transfer of control over the goods to the customer. The accounting has been applied retrospectively as 1 May 2018 without restatement of comparative financial information

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. Revenue is recognized if a binding sales agreement has been made, and - payment has been received or is with reasonable certainty expected to be received.

Sales of fuel products is recognised upon passing of control over the fuel to the customer which generally coincides with passing of legal title, delivery and acceptance of the goods sold.

Revenue from arranging sales is recognized when the right to the arrangement fee has been obtained.

Revenue is measured at the consideration agreed net of discounts, returns and value added taxes.

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

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.

Bunker Holding A/S 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.

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 2019 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 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

NOTE 16 — SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 current liabilities and non current liabilities.

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 2019 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 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 2019.

Adoption of IFRS 16 is estimated to impact the total asset value positive between 2 and 3 percent. Refer to note 13 for disclosure of lease commitments currently treated as operating leases.

Amendment to IFRS 3, Business Combinations
The definition as a business is amended potentially reducing the number of transactions falling within the scope of IFRS 3. The amendment is applicable for the Group for business combinations occurring on or after 1 May 2020. It is the Group's assessment that previous acquisitions would have met the definition of a business also under the new standard and that consequently, future acquisitions, if any, of similar nature will be accounted for as business combinations.

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	**2018/19**	2017/18
Other operating income		33,473	22,097
Other external expenses		-27,876	-19,058
Staff costs	17	-24,840	-15,624
Depreciation and amortisation	18	-618	-341
Earnings before interest and tax (EBIT)		**-19,861**	**-12,926**
Profit from investments in group enterprises and associates		77,592	41,542
Financial income	19	26,941	16,689
Financial expenses	20	-28,939	-17,491
Earnings before tax (EBT)		**55,733**	**27,814**
Corporation tax	21	4,633	3,070
Earnings after tax (EAT)		**60,366**	**30,884**

BALANCE SHEET AT 30 APRIL

USD'000	Note	2018/19	2017/18
Software		4,253	3,086
Intangible assets	**23**	**4,253**	**3,086**
Fixtures and fittings, tools and equipment		664	640
Property, plant and equipment	**24**	**664**	**640**
Investments in subsidiaries		311,002	291,423
Investments in associates		5,317	3,717
Fixed asset investments	**25**	**316,319**	**295,140**
Fixed assets		**321,236**	**298,866**
Trade receivables		2	0
Receivables from group enterprises		564,633	410,182
Receivables from associates		13,620	9,708
Prepayments		898	0
Other receivables	26	6,069	4,073
Dividends receivable		450	450
Corporation tax		5,180	4,205
Receivables		**590,852**	**428,618**
Cash at bank and in hand		**56,512**	**9,802**
Current assets		**647,364**	**438,420**
Assets		**968,600**	**737,286**

USD'000	Note	2018/19	2017/18
Share capital		1,781	1,781
Reserve for net revaluation under the equity method		72,397	59,143
Other reserves		4,253	3,086
Retained earnings		242,905	191,865
Proposed dividend for the year		0	0
Equity	**27**	**321,336**	**255,875**
Deferred tax	28	1,018	792
Provisions		**1,018**	**792**
Credit Institutions		110,000	0
Long-term debt		**110,000**	**0**
Credit institutions		290,074	261,077
Trade payables		1,753	1,847
Payables to group enterprises		226,292	206,533
Other payables		18,127	11,162
Short-term debt		**536,246**	**480,619**
Total debt		**646,246**	**480,619**
Liabilities and equity		**968,600**	**737,286**
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**
2018/19						
Equity at 1 May	1,781	59,143	3,086	191,865	0	255,875
Capital increase	0	0	0	10,027	0	10,027
Dividend paid	0	0	0	0	0	0
Earnings after tax (EAT) for the year	0	18,036	1,167	41,163	0	60,366
Fair value adjustment of derivative financial instruments	0	0	0	-118	0	-118
Other adjustments	0	-4,782	0	-32	0	-4,814
Equity at 30 April	**1,781**	**72,397**	**4,253**	**242,905**	**0**	**321,336**
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
Other adjustments	0	3,077	0	-40	0	3,037
Equity at 30 April	**1,781**	**59,143**	**3,086**	**191,865**	**0**	**255,875**

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NOTE 17 — STAFF COSTS

USD'000	2018/19	2017/18
Wages and salaries	23,807	14,767
Pensions	853	705
Other social security expenses	180	152
Total	**24,840**	**15,624**
Number of employees	**121**	**99**
Salaries and remuneration to the Executive and Supervisory Boards amount to:	**6,203**	**2,588**

NOTE 18 — DEPRECIATION AND AMORTISATION

USD'000	2018/19	2017/18
Software	382	292
Fixtures and fittings, tools and equipment	236	49
Total	**618**	**341**

NOTE 19 — FINANCIAL INCOME

USD'000	2018/19	2017/18
Interest group enterprises	25,847	16,165
Interest associates	649	195
Interest other	445	329
Total	**26,941**	**16,689**

NOTE 20 — FINANCIAL EXPENSES

USD'000	2018/19	2017/18
Interest group enterprises	8,233	4,493
Interest associates	0	0
Interest other	20,706	12,998
Total	**28,939**	**17,491**

NOTE 21 — TAXES

USD'000	2018/19	2017/18
Current tax for the year	4,865	3,855
Tax concerning previous years	-6	0
Deferred tax	-226	-785
Total tax for the year	**4,633**	**3,070**
Which is specified as follows:		
Tax on profit for the year	4,897	3,962
Tax concerning previous years	-6	0
Deferred tax	-226	-785
Tax on equity transactions	-32	-107
Total tax for the year	**4,633**	**3,070**

NOTE 22 — PROPOSED DISTRIBUTION OF PROFIT

USD'000	2018/19	2017/18
Proposed dividend	0	0
Extraordinary dividend	0	22,500
Reserve for net revaluation under the equity method	18,036	-42,431
Other reserves	1,167	3,086
Retained earnings	41,163	47,729
Earnings after tax (EAT)	**60,366**	**30,884**

NOTE 23 — INTANGIBLE ASSETS

USD'000	IT development and software
2018/19	
Cost at 1 May	3,378
Additions	2,382
Disposals	-833
Cost at 30 April	**4,927**
Amortisation at 1 May	-292
Amortisation	-382
Reversed amortisation of disposals	0
Impairment losses	0
Amortisation at 30 April	**-674**
Carrying amount at 30 April	**4,253**
2017/18	
Cost at 1 May	0
Additions	3,378
Disposals	0
Cost at 30 April	**3,378**
Amortisation at 1 May	0
Amortisation	-292
Reversed amortisation of disposals	0
Impairment losses	0
Amortisation 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
2018/19	
Cost at 1 May	650
Additions	260
Disposals	0
Cost at 30 April	**910**
Depreciation at 1 May	-10
Depreciation	-236
Reversed depreciation of disposals	0
Impairment losses	0
Depreciation at 30 April	**-246**
Carrying amount at 30 April	**664**
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**

NOTE 25 — INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

USD'000	Investments in subsidiaries	Investments in associates
Cost at 1 May	232,280	1,886
Additions	7,325	0
Disposals	-1,000	0
Cost at 30 April	**238,605**	**1,886**
Value adjustments at 1 May	59,143	1,831
Exchange rate adjustment	-4,782	0
Disposals for the year	0	0
Share of profit for the year	75,992	1,600
Dividend	-57,956	0
Value adjustments at 30 April	**72,397**	**3,431**
Carrying amount at 30 April	**311,002**	**5,317**
Positive differences arising on initial measurement of subsidiaries at net asset value	**3,767**	**0**

NOTE 25 — INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (CONTINUED)

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

Name	Country	Ownership
South American Bunkers S.A.	Argentina	100%
Dan-Bunkering (Australia) Pty Ltd.	Australia	100%
Bunker One Combustiveis E Lubrificantes Ltda.	Brasil	100%
Amoil International Ltd.	British Virgin Islands	100%
South African Bunkering & Trading Ltd.	British Virgin Islands	100%
Canden Marine Fuel Services Ltd.	Canada	100%
KPI Bridge Oil Ltd.	Cayman Island	100%
Dan-Bunkering (Chile) SPA	Chile	100%
BMS United Bunkers (Cyprus) Ltd.	Cyprus	100%
Bunkernet Ltd.	Cyprus	100%
KPI Bridge Oil Cyprus Ltd.	Cyprus	100%
Kaeline Investment Ltd.	Cyprus	50%
A/S Dan-Bunkering Ltd.	Denmark	100%
BMS United Bunkers S.A. ApS	Denmark	100%
KPI Bridge Oil A/S	Denmark	100%
Unioil Supply A/S	Denmark	100%
Unioil Cargo A/S	Denmark	100%
A/S Global Risk Management Ltd. Holding	Denmark	100%
A/S Global Risk Management Ltd. Fondsmæglerselskab	Denmark	100%
Bunker Holding Estate A/S	Denmark	100%
USTC Administration ApS	Denmark	100%
Nordliq A/S	Denmark	33%
Bunker One (Germany) GmbH	Deutschland	100%
Dan-Bunkering Middle East DMCC	Dubai	100%
Glander International Bunkering DMCC	Dubai	100%
PSTV Energy DMCC	Dubai	100%
PSTV Energy FZE	Dubai	100%
KPI Bridge Oil Greece IKE	Greece	100%
BMS United Bunkers (Asia) Limited	Hong Kong	100%
Glander International Bunkering (India) Pvt Ltd.	India	100%
PT. KPI Bridge Oil Indonesia	Indonesia	100%

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

Name	Country	Ownership
Bunker Point Supply Ltd.	Israel	100%
Bunker One (Jamaica) Ltd.	Jamaica	100%
Suppleo Bunkering S DE RL DE CV	Mexico	100%
Dan-Bunkering (Monaco) S.A.M.	Monaco	100%
KPI Bridge Oil Rotterdam BV	Netherland	100%
Offshore Bunkering BV	Netherland	100%
Glander International Bunkering (Norway) AS	Norway	100%
Bunker One (Gulf of Mexico) S.A.	Panama	100%
BH Shared Service Center Pte. Ltd.	Singapore	100%
Bunker One (Singapore) Pte. Ltd.	Singapore	100%
Dan-Bunkering (Singapore) Pte. Ltd.	Singapore	100%
OBN 2018 Pte. Ltd.	Singapore	100%
KPI Bridge Oil Singapore Pte Ltd.	Singapore	100%
Glander International Bunkering Pte. Ltd.	Singapore	100%
OBN 2016 Pte. Ltd.	Singapore	100%
Unicore Fuel Pte Ltd.	Singapore	100%
Global Risk Management Pte Ltd.	Singapore	100%
Amoil (Pty) Ltd.	South Africa	100%
South African Bunkering & Trading Pty. Ltd.	South Africa	100%
Glander International Bunkering Spain S.L.	Spain	100%
Bunker One (Sweden) AB	Sweden	100%
Glander International Bunkering (Geneva) Sarl	Switzerland	100%
KPI Bridge Oil Denizcllik ve Ticaret Ltd. Sti.	Turkey	100%
Bunker One (London) Ltd.	UK	100%
KPI Bridge Oil London Ltd.	UK	100%
Reniden S.A	Uruguay	100%
Dan-Bunkering (America) Inc.	USA	100%
KPI Bridge Oil, Inc.	USA	100%
Glander International Bunkering Inc.	USA	100%
Bunker One (USA) Inc.	USA	100%
LQM Holdings (Delaware) Inc.	USA	100%
LQM Petroleum Services LLC	USA	100%

NOTE 26 — OTHER RECEIVABLES

The item other receivables include adjustment of derivative financial instruments to fair value by net USD 163k. Stated on a gross basis, the asset amounts to USD 6,726k and the liability USD 6,563k.

USD 5,713k of the gross payables relates to group enterprises.

NOTE 27 — EQUITY

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

NOTE 28 — DEFERRED TAX

USD'000	**2018/19**	2017/18
Deferred tax at 1 May	792	7
Change for the year	226	785
Total tax for the year	**1,018**	**792**

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

NOTE 29 — GUARANTEES, SECURITIES AND CONTINGENT LIABILITIES

USD'000	**2018/19**	2017/18
Guarantees		
The Parent Company has issued a guarantee for the liabilities of the subsidiaries	791,583	770,012
At the balance sheet date, the following has been applied of the guarantee commitment	248,645	196,983
At the balance sheet date, no other guarantees or security has been provided		
Lease and rent obligations		
Lease and rent obligations	847	281
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 Østergaard-Nielsen, CEO, exercises control.

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

NOTE 31 — FEES TO AUDITORS

USD'000	**2018/19**	2017/18
PricewaterhouseCoopers		
Audit	65	57
Assurance engagements	0	0
Tax services	37	134
Other services	48	83
Total fees for the year	**150**	**274**

NOTE 32 — ACCOUNTING POLICIES

Basis of Preparation
The Annual Report of Bunker Holding A/S for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The 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:

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

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.

Investments in subsidaries
Investments in subsidaries 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 subsidaries 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.

Dividend
Dividend distribution proposed by Management 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 2018 - 30 April 2019.

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 2019 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, 19 June 2019

EXECUTIVE BOARD

Keld Rosenbæk Demant
CEO

Michael Krabbe
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 SHAREHOLDER 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 2019 and of the results of the Group's operations and cash flows for the financial year 1 May 2018 to 30 April 2019 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 2019 and of the results of the Parent Company's operations for the financial year 1 May 2018 to 30 April 2019 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 2018 to 30 April 2019, 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, 19 June 2019
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
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CVR No: 75 26 63 16
Financial year: 1 May - 30 April
Municipality of reg. office: Middelfart, Denmark