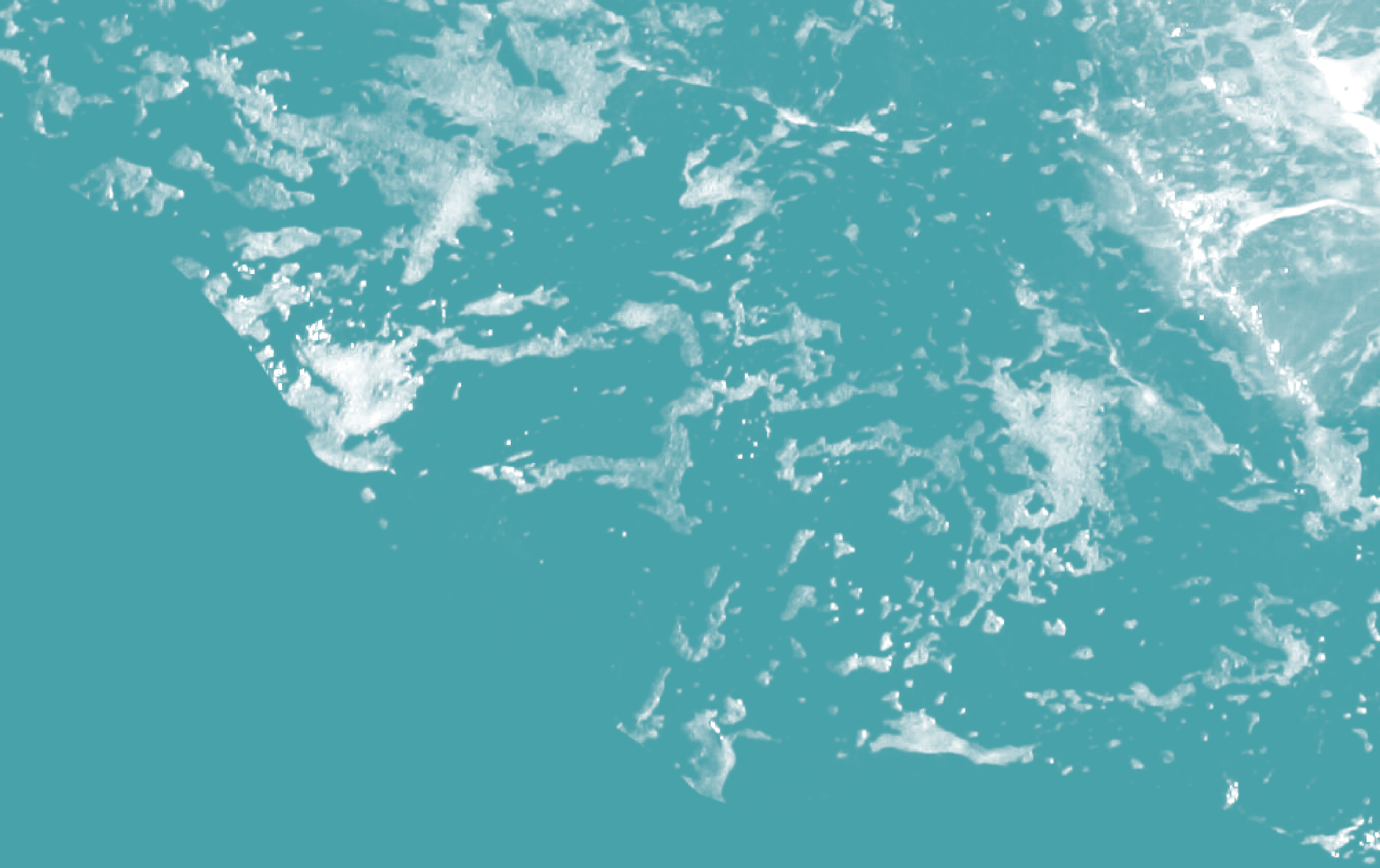
Bunker Holding Group

The Annual Report was presented and adopted at the Company's Annual General Meeting on 24 June 2021.

Chairman of the meeting
Peter Appel

Financial year 1 May 2020 – 30 April 2021
Bunker Holding A/S, Strandvejen 5, DK-5500 Middelfart
Company reg. no. 75 26 63 16

2020-2021
ANNUAL REPORT



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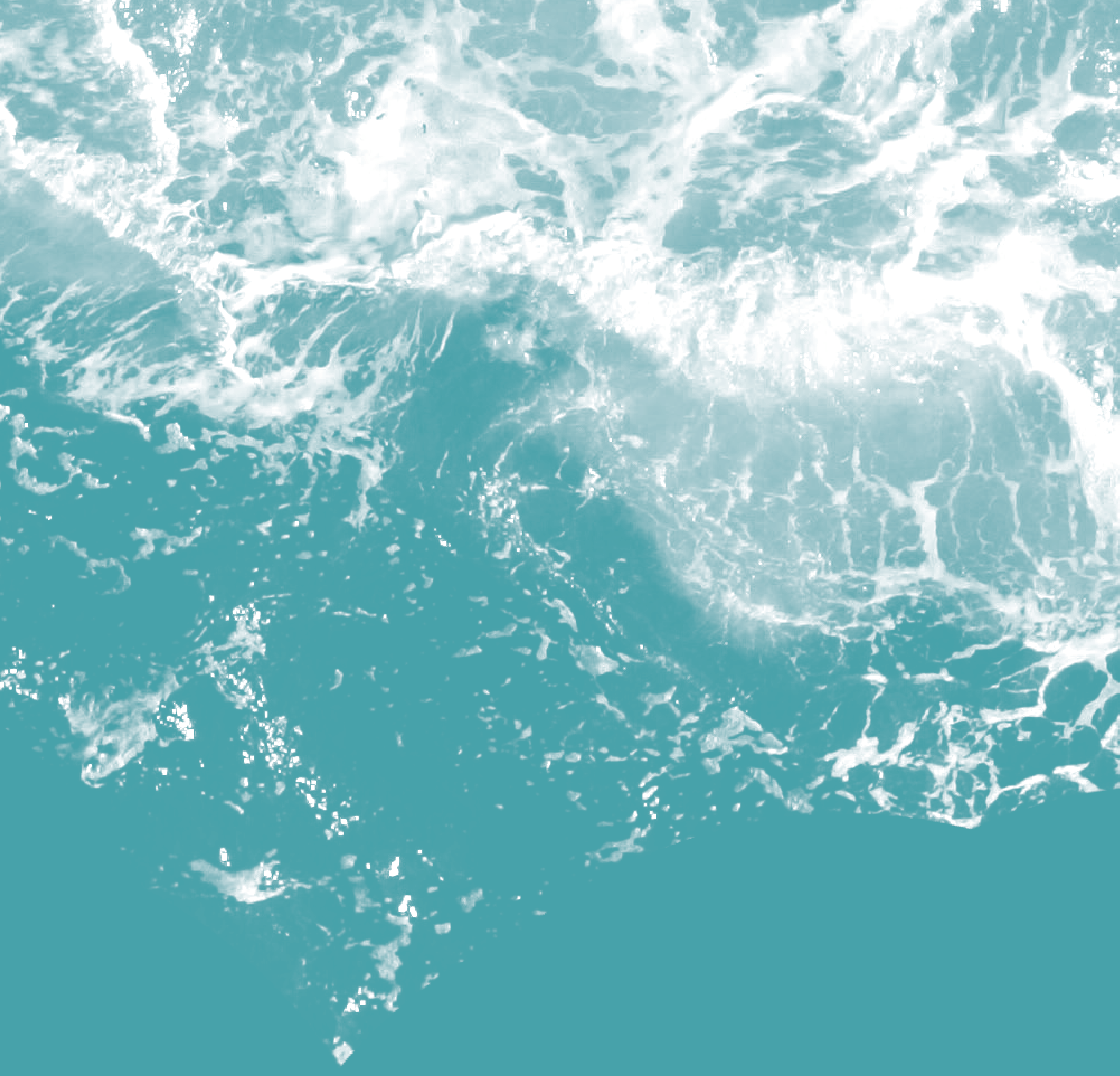


FINANCIAL STATEMENTS

FUELLING SIMPLICITY

Procuring bunkers en route is becoming an ever more complicated and critical part of operating a vessel. With Bunker Holding, ship-owners work with a trusted partner who makes the entire process simple and seamless.

WHAT IS OUR IDEAL BUNKERING STRATEGY ON THIS ROUTE?

BUNKER HOLDING HELPS PLAN THE BEST AND MOST ECONOMICAL WAY TO THE DESTINATION

CAN WE TRUST THE LOCAL SUPPLIER TO DELIVER THE RIGHT PRODUCT – ON TIME?

BUNKER HOLDING'S LOCAL EXPERTS KNOW THE INS AND OUTS OF EVEN SMALL NICHE PORTS

WHERE CAN WE GET ADVICE ON THE COMPLEX FUTURE OF SUSTAINABLE FUELS?

BUNKER HOLDING STANDS READY WITH EXPERT INSIGHTS AND KNOWLEDGE

HOW DO WE GET THE IDEAL FINANCING?

GLOBAL RISK MANAGEMENT OFFERS FIXED PRICES THROUGH CUSTOMIZED HEDGING SOLUTIONS

WHICH NICHE PORTS HAVE THE FUEL WE REQUIRE?

BUNKER HOLDING ADVISES ON AVAILABILITY, PRICE AND QUALITY IN EACH PORT

HOW DO WE CUT DOWN ON THE PAPERWORK?

BUNKER HOLDING OFFERS STANDARDISED TERMS AND CONDITIONS

HIGHLIGHTS

PORTS
1,643

COUNTRIES
35

OFFICES
70

EMPLOYEES
1,500+

Global bunkering requires local experts. Our employees represent 54 different nationalities, working from 70 offices on all continents. With their inside knowledge of suppliers, port logistics, local availability and pricing, clients are assured of an efficient and seamless experience wherever they need to bunker.

40 YEARS WITHOUT A LOSS OF PROFITS

Even in the midst of a year-long global crisis that has impacted many Bunker Holding clients, we grew our volume and achieved the third highest gross profit ever. This is our 40th straight profitable year. In our entire history, Bunker Holding has never recorded an annual loss.

SPECIALISTS

With bunkering becoming ever more complex, we believe that clients can only be served perfectly if their bunkering partner has an unwavering focus on the world of marine fuels. Therefore, this is the one and only thing we do.

SINCE 1981

Bunker Holding was founded in 1981 by one of the pioneers in the industry. We are one of the few major bunkering companies that remain owned by the founding family, and Mr. Torben Østergaard-Nielsen and his two daughters, Nina Østergaard Borris and Mia Østergaard Nielsen, are determined that the family will guide the company as active owners for generations to come.

INQUIRIES 100,908

Over the last year, the Group received – on average – an inquiry every six minutes, around the clock.

“THIS WAS A CHALLENGING YEAR. YET IN SOME WAYS, IT WAS ALSO OUR FINEST HOUR.”

Keld R. Demant, CEO

STRONGER THAN EVER

This was a challenging year. Yet in some ways, it was also our finest hour.

As we entered 2020, we were sailing smoothly, our skies calmer and bluer than ever. Of course, as a CEO in the maritime industry, I should have remembered the old sailors' saying: There is often calm before the storm.

These past 12 months have been exceptionally challenging, both for our industry at large, and for many individual employees and their families. While thankfully we have not lost any employees to COVID-19, many had to cope with fear, uncertainty and isolation.

And yet, in some ways this has been our finest hour. We exit the storm stronger than ever. In a contracting market, we increased our volume, gained market share, and strengthened our position as the world's leading bunkering company. Our company has never been stronger, as we not only succeeded in retaining our talented employees during the pandemic, but also gained new and attractive profiles. Finally, we delivered a positive and satisfactory annual result, given the market conditions.

Agile and fleet-footed

As I look at last year's annual report – written just at the onset of the pandemic – I note how we pride ourselves at being agile and fleet-footed, confident in our ability to quickly change course, while at the same time standing on rock-solid financial, technological and human foundations. I am proud to say that this was all proven true by our actions and performance during COVID-19.

Within 24 hours of the world beginning to lock down, our IT department helped all employees seamlessly service their clients from home, while our Communications team launched an internal website dedicated to COVID-19. Over the coming weeks and months, we continually adapted to the evolving crisis, embracing out-of-the-box thinking, and adopting new ideas. Along the way, we learned important lessons about nurturing motivation, communicating with employees, and managing change.

During the year, we were impressed to see how our employees performed above and beyond all expectations, delivering excellent service to our clients under very trying conditions. They were supported by our strong brands whose independence and flexibility proved their worth.

A safe harbour

We were gratified to see how the markets regard the Bunker Holding Group as a safe harbour in uncertain times. Our proactive leadership role during the lead-up to the 2020 introduction of limits on Sulphur garnered respect and trust, and when that challenge was followed by the present crisis, many shipping companies clearly decided to rely on us again.

We can already see how our 2020 role as a leading expert and trusted adviser will be repeated and amplified over the coming years, as the industry prepares for the transition to sustainable fuels.

For the foreseeable future, the shipping industry will have to keep its reliance on oil to a great extent. Truly sustainable fuels are still a long way off. Indeed, the industry does not know yet exactly what these fuels will be. Bunker Holding foresees an intermediary period with fuels that are more climate-friendly than today's conventional fossil bunker fuels. We are preparing for this multi-step switch to sustainable fuels, and – as we did with the IMO introduction of reduced limits on Sulphur – we are committed to exercising our expertise and resources and help lead the way.

One thing we do know about total emission free bunker fuels is that they will require much more expertise and financial strength than todays comparatively simple oil. In other words, our role in the value chain will only become ever more relevant.

Digitalisation is another important trend that Bunker Holding intends to be at the forefront of. Everyone talks about 'big data', but as the world's leading bunkering company we actually have access to more data than anyone else. We are actively developing a stream of new IT-tools that promise to help predict customer needs and enable traders to work even more effectively. They also promise to disrupt our conservative industry's way of doing business. But after 2020, you could say that we are getting quite used to dealing with disruption.

"OUR ROLE IN THE VALUE CHAIN WILL ONLY BECOME EVER MORE RELEVANT."

Keld R. Demant, CEO

Michael Krabbe, CFO

With challenges across the world arising from the pandemic, Bunker Holding Group is proud to announce a strong result.

SAFELY NAVIGATING TROUBLED WATERS

Volume

Increasing market share

Following the record year of 2019/20, Bunker Holding maintained momentum and delivered growth in transacted volumes of 10%. This was driven both organically and through acquisition that resulted in an improved market share where our position as the global leading bunkering company was cemented.

Revenues

Record high volume more than offset by decreased oil prices

The pandemic crisis caused a significant change in supply and demand for oil, which impacted oil prices negatively. Accordingly, we recorded a decrease in average sales price per tonne. This more than offset the effect from an increase in sold volumes and resulted in a revenue of USD 9,769 million.

Gross profit

Third best gross profit ever achieved

Despite troubled waters in the entire world economy, Bunker Holding achieved its third highest gross profit ever in our history – USD 294 million. The result was enabled by our industry-leading financial strength that gave us the muscles to take advantage of market opportunities. However, the result also reflects a decrease in gross profit per metric tonne following the lower oil price.

External expenses

The pandemic led to a lowering of costs as travelling was banned

With nearly all employees in Bunker Holding across the world working from home and not being able to travel or visit our business partners, we noted a significant drop in sales costs. Furthermore, the decline in gross profit resulted in lower performance related salaries and general cost savings were in focus.

Earnings

Strong earnings before tax based on a solid foundation

Earnings before tax were USD 70.3 million. In a difficult 2020/21 and a very turbulent market we are both humble and proud to present this result.

Current assets

Ultra-liquid balance sheet

Bunker Holding reported 94% of its balance sheet as current assets. Thereby, it remained ultra-liquid and resulted in a current ratio at 1.33.

Borrowings and cash flow

Positive cashflow from operating activities

With a significant increase in oil prices at the end of the financial year, we tied up more net working capital. This led to an increase in net borrowings to USD 315.4 million while we still recorded a strong cashflow from operating activities. At the end of the year, Bunker Holding holds significant amounts of unutilised credit facilities.

Equity

Maintained a strong equity base

Bunker Holding generated a return on equity of 16% and recorded an equity base of USD 334 million – Bunker Holding is rock-solid, and creditworthiness towards stakeholders remains a top priority.

Expectation for the new year

Positive outlook for 2021/22

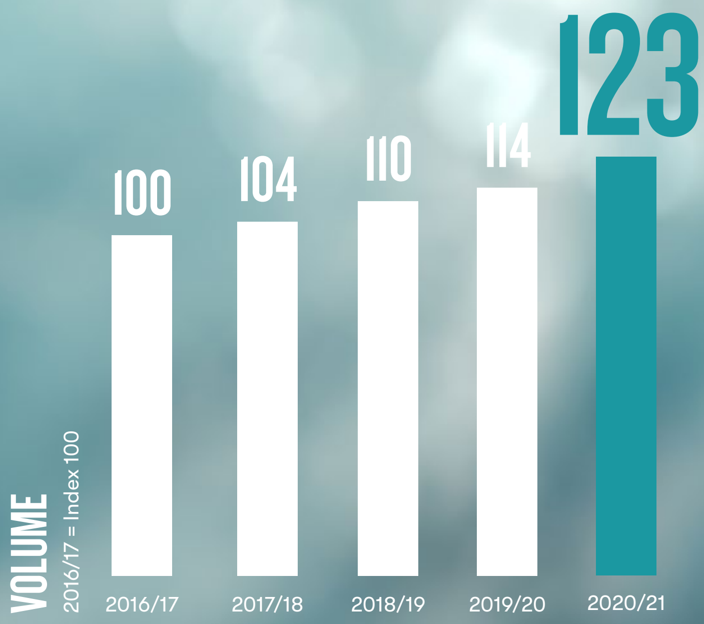
As we expect the effects from the pandemic to ease off, we are positive about the new financial year and expect that we can improve the result slightly.

KEY FIGURES

EARNINGS BEFORE TAX
USD MILLION
70

GROSS PROFIT
USD MILLION
294

EQUITY
USD MILLION
334



FINANCIAL HIGHLIGHTS

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

USD'000	2020/21	2019/20	2018/19	2017/18	2016/17
Income statement					
Revenue	9,769,105	10,946,049	10,644,302	8,152,520	6,459,080
Gross profit	294,149	439,532	301,814	221,526	206,937
Earnings before interest and tax (EBIT)	81,349	184,936	98,863	50,264	40,699
Earnings before tax (EBT)	70,347	155,153	77,299	40,161	34,648
Earnings after tax (EAT)	56,612	126,177	60,797	30,612	27,299
Balance Sheet					
Non-current assets	92,363	100,928	69,770	69,873	54,971
Current assets	1,538,867	1,206,490	1,486,679	1,214,409	991,816
Total assets	1,631,230	1,307,418	1,556,449	1,282,282	1,046,787
Total equity	334,437	357,039	318,050	253,757	252,953
Cash Flow Statement					
Cash flows from operating activities	35,833	104,325	-56,498	125,827	-109,012
Cash flows from investing activities	-5,749	-8,477	-8,401	-11,956	-6,850
Cash flows from financing activities	-45,932	-175,731	133,512	-31,635	124,483
Change in cash and cash equivalents	-15,848	-79,883	68,613	82,236	8,621
Financial ratios					
Gross margin	3.0%	4.0%	2.8%	2.7%	3.2%
Return on equity	16.4%	37.4%	21.3%	12.1%	10.5%
Current ratio	1.33	1.46	1.33	1.19	1.26
Solvency ratio	20.5%	27.3%	20.4%	19.8%	24.2%
Annual full-time employees	1,606	1,508	1,157	893	857

The ratios have been prepared in accordance with the definitions set out in note 17 to the Financial Statements.

AROUND THE WORLD

OFFICES

AMERICAS	EUROPE	ASIA	OTHERS
19	27	21	3

Over the last year, the bunker industry experienced not just head winds, but a global hurricane. And yet, Bunker Holding performed impressively well.

SUCCESS AGAINST ALL ODDS

Christoffer Berg Lassen, CCO

On April 20th last year, even the most experienced traders at Bunker Holding had to check their screens an extra time. For the first time in history, oil recorded negative prices as a major US benchmark fell to minus $37. With the pandemic decimating global demand for oil, the surplus on the market was huge and storage tanks were filled to the brim. For a brief moment, some desperate sellers would pay you to take their oil. If only you had somewhere to put it.

Plunging prices were not an auspicious start to the year. Add to this an oil price war between Russia and Saudi Arabia. Plus consider plummeting cargo volumes as the pandemic sent shockwaves through global maritime transport. Then count the many Bunker Holding traders around the world marooned in their homes because of national lockdowns. Finally, take into account how cheap oil opened the playing field to many small bunkering competitors, who suddenly had plenty of headroom to do business within their access to liquidity.

In all, 2020 did not look promising. And yet, it turned out impressively well.

"WE MAY HAVE WON THE MARATHON, BUT WE DID NOT SET A NEW PERSONAL RECORD, SO IT CAN NEVER REALLY FEEL LIKE A WIN."

Christoffer Berg Lassen
CCO

In a market where demand for oil plunged, Bunker Holding's annual volume surged. We gained market share. The Group's position as the world's leading bunkering company has never been stronger. And we capped the year by acquiring and seamlessly integrating the fifth largest company in the industry, entirely through internal resources.

None of this is enough to make Bunker Holding CCO, Christoffer Berg Lassen entirely happy.

"We may have won the marathon, but we did not set a new personal record, so it can never really feel like a win."

Winning an uphill race

One could argue that it is tough setting personal records in a race that is suddenly all uphill. The global bunker market fell dramatically from its usual levels – the exact figures are uncertain, but some observers estimate it be as much as 25%. At the same time, Bunker Holding's volume increased significantly.

The crucial differentiating factor was the performance of our local managers and employees. Traders were able to give clients the usual high level of service, because the Group seamlessly transitioned to an environment where the majority of them were forced to work from home.

"We reaped the fruits of the significant investments we have made in our IT systems over the past several years. When offices around the world closed down, every home-locked trader was able to continue working with instant access to the same data as in the offices and without a moment's pause," says Christoffer Berg Lassen.

A MERGER THAT SHOWS STRENGTH

In the midst of the pandemic, the Group acquired OceanConnect Marine, merged it with KPI Bridge Oil – part of the Bunker Holding group – and created one of the biggest bunker companies globally, with 170 employees in 15 locations around the world. The merger was accomplished in just four months, and the entire process, including due diligence, was handled in-house.

"I think our ability to seamlessly integrate two such large companies, especially during a health crisis where many of the offices were closed, speaks volumes about our strengths," says Christoffer Berg Lassen.

"WE ARE USED TO COMMUNICATING AND COLLABORATING GLOBALLY, AND TO MAKE STRONG BRANDS WORK TOGETHER"

Christoffer Berg Lassen
CCO

Morten Kure, Global Head of Sourcing

GREEN OCEAN STRATEGY

Over the coming decades, the maritime industry will transition to new and sustainable fuels. Once again, Bunker Holding will lead the way forward.

Some optimistic souls in the shipping industry may have exhaled a sigh of relief in early 2020. After all, they had just weathered the greatest disruption to global shipping in a generation, the IMO introduction of low-Sulphur fuels.

But recently that optimism has been replaced with the dawning realisation that something far more disruptive and challenging lies on the horizon. In the coming years and decades, global shipping must transition to new bunker fuels that are sustainable, revolutionary, and quite possibly not even invented yet.

"In the coming years and decades, technical knowhow, local expertise, certainty of delivery, flexibility, logistics, and credit will become key requirements to look for in your bunkering partner. Of course, these are core strengths that Bunker Holding is already known for," says Morten Kure, Global Head of Sourcing at Bunker Holding.

"2020 convinced many in the shipping industry that they need a trusted partner more than just a bunker supplier. As we look at the coming transition, this realisation is only being reinforced."

So, over the past several months an ever-increasing number of clients have called Bunker Holding to enquire about the future and how to get there.

As the shipping industry prepares to enter uncharted waters on the route to the adaptation of sustainable bunker fuels, they remember that Bunker Holding has shown the way before. In the lead-up to the IMO 2020 introduction of limits on Sulphur, the Group used its expertise to gain knowledge and insights, comprehensively trained its employees, and then proactively advised the maritime industry.

Bunker Holding remains widely recognised and respected for this leadership role. Today, clients may know little about little about LNG, ammonia, or biofuel But they do know who to ask.

As of yet, neither Bunker Holding nor anyone else has a clear answer as to what the industry will eventually transition to. But we do have a clear and strong strategy for how we will approach the transition, and how we will help guide our clients through what promises to be an order of magnitude more difficult than not only 2020, but indeed any other prior transition.

Clean. Sustainable. And not invented yet.

The new fuel for the coming generations of ships is wholly sustainable. It is able to decarbonize shipping with clean and efficient power generation. And it is – so far – unknown. It may turn out to be ammonia, hydrogen, or electricity, assuming that numerous technological challenges can be overcome. It may even be something that has not been invented yet.

We will probably be many years into the future before true carbon-neutral fuels are ready to power the global fleet. Nevertheless, Bunker Holding recognises that this day will eventually come, and we are fully committed to prepare for it, and to lend our support and expertise to our clients and the maritime industry.

We foresee an intermediary period with fuels that are more climate-friendly than today's conventional fossil bunker fuels, but not green enough to be the solution for the future. LNG and biofuel presently appear to be candidates as such interim alternatives.

Our physical supplier, Bunker One, recently introduced biofuel in the Danish straits and is looking to expand this offering around the world.

Meanwhile, Bunker Holding is actively preparing for the coming multi-step switch to sustainable fuels. We are gaining insights on the coming transition and sharing our knowledge

Morten Kure, Global Head of Sourcing and Ask Michael Munck, Global Head of Commercial Operations

internally. As we did successfully for IMO 2020, we are creating a comprehensive e-learning platform on the topic for our employees.

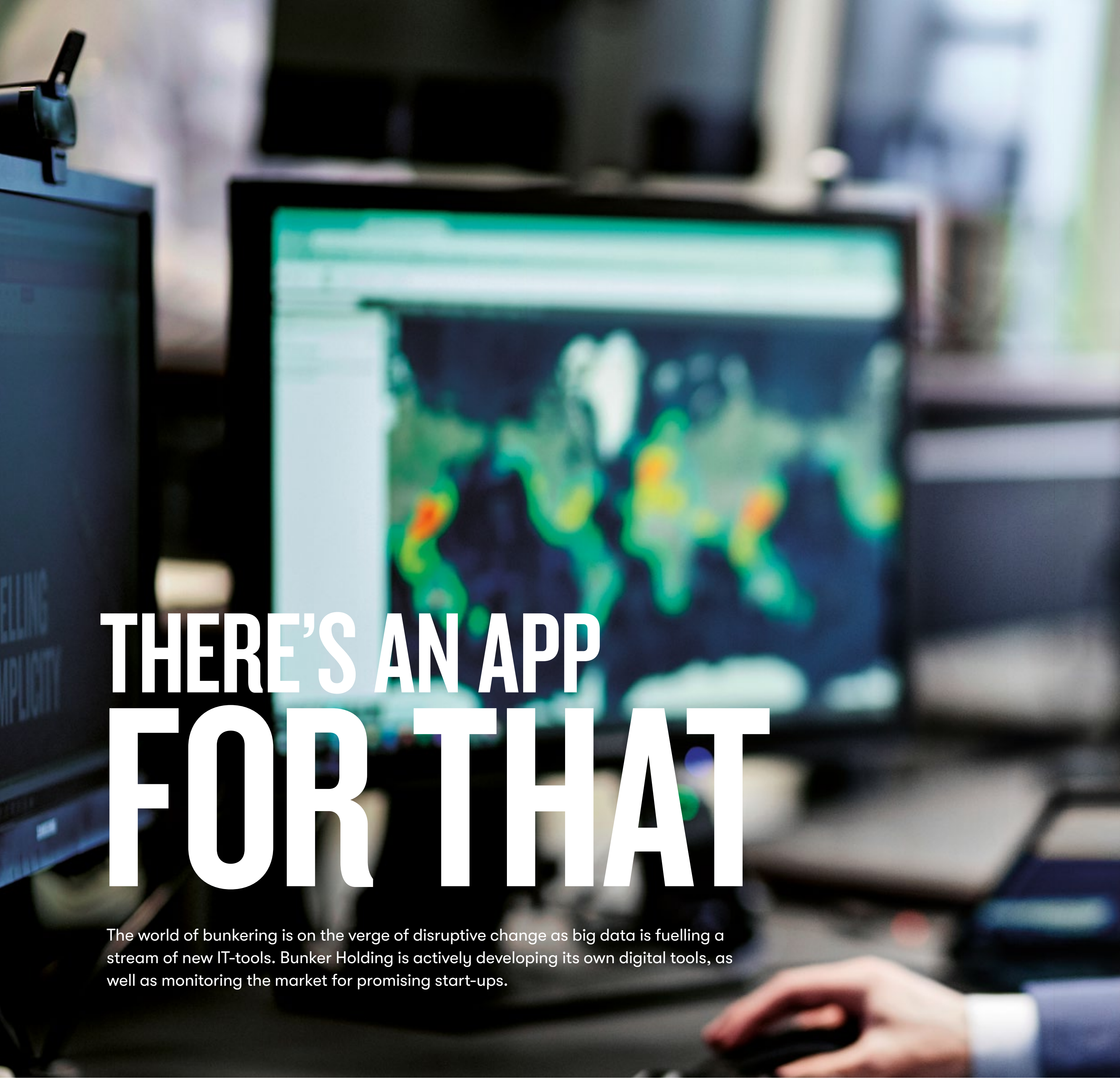
We have a task force that will analyse and monitor the development of alternative fuels, and we are already engaged in industry coalitions and partnerships that are working on the green trans-ition. One coalition wants to get commercially viable deep sea zero emission vessels into operation by 2030.

"The future of bunkers will be much more complex than today. We could well see several different types of fuel, each with very different advantages and drawbacks, including sourcing, logistics, and price formation," Morten Kure predicts.

WHY THE GREEN TRANSITION WILL TAKE TIME

Earlier transitions – from wind to coal, from coal to oil, or most recently from high-Sulphur to low-Sulphur bunkers – have all been natural processes driven by the availability of a new and superior fuel. But for the first time in history, the transition to a revolutionary new source of propulsion has been turned on its head. This time, the transition is driven by the urgent need for a new fuel, not the actual availability of one.

At the best of times, adapting the global merchant fleet to a new fuel is a long and arduous undertaking. Take the transition from coal to oil. It had everything going for it: With double the thermal content of coal and far fewer logistical challenges, oil promised huge advantages over coal. Winston Churchill gave the process the strongest possible boost in 1911 when he, as First Lord of the Admiralty, ordered the conversion of the entire British navy to oil. And yet, coal-powered merchant vessels were still being launched in the 1950s, more than a generation later.



THERE'S AN APP FOR THAT

The world of bunkering is on the verge of disruptive change as big data is fuelling a stream of new IT-tools. Bunker Holding is actively developing its own digital tools, as well as monitoring the market for promising start-ups.

When the bunker industry's first-ever app was launched ten years ago, the entire concept was so foreign that a bunker industry newsletter deemed it necessary to place quotation marks around "app". But in the not-too-distant future, it may well be descriptions of bunker trading procedures like "phone calls" and "personal relations" that require some explaining.

The world of bunkering is on the verge of disruptive change as big data is fueling a stream of new IT-tools that help predict customer needs and enable traders to work even more effectively. Bunker Holding's Global Head of Commercial Operations, Ask Michael Munck, can name more than a hundred start-ups that specialize in the digitalisation of shipping and bunkering.

"Shipping is a conservative industry where phones, e-mails, and personal relations have been the dominant tools of the trade. But this is changing rapidly. Digitalisation is the coming megatrend, and it is a trend that Bunker Holding intends to be at the forefront of."

"GROUND-BREAKING NEW IDEAS AND START-UPS ARE BLOSSOMING THESE YEARS, AND THE PANDEMIC HAS ONLY ACCELERATED THE TREND"

Ask Michael Munck
Global Head of Commercial Operations

3 NEW DIGITAL TOOLS

1 Automated pricing tool
Recently, Bunker Holding's parent company USTC acquired BunkerEx, an online automated bunker pricing tool that is integrated with the WhatsApp app. Clients can not only track market prices in real-time, but also fix forward with the flexibility to change ports, dates, quantity, and even vessel.

"The acquisition of BunkerEx is a testament to the Group's ambition to digitalise and be at the forefront of innovation and new technologies within the industry," says Nina Østergaard Borris, owner and COO of USTC.

2 Smart algorithm
The new innovative tool combs external data with internal information and notifies a trader when a vessel approaches a port where Bunker Holding has a strong presence. An algorithm determines which trader is best suited to call this particular client – for example one with local knowledge about this particular port.

3 Live bunkering streams
Another new app from physical supplier Bunker One allows a customer to watch a live video stream of their ship being bunkered. Presently being tested on a single barge, the app makes the bunkering process transparent, even when the client is not able to witness it in person.

New apps add value and transparency

Several digital tools are under development at the time of writing, and many more are on the drawing board. Often, they add transparency, value, or extra services for the client, something Ask Michael Munck believes will be a crucial commercial advantage in the future.

Bunker Holding is also actively monitoring the world for promising start-ups. We are an attractive partner for fledging start-ups, promising growth rates that would be difficult to achieve on their own. In the race to harness big data, the world's leading bunker company holds a natural advantage, with gigabytes more information than anyone else on price points and other data. "Ground-breaking new ideas and start-ups are blossoming these years, and the pandemic has only accelerated the trend. The biggest challenge for all of us in this conservative industry is probably accepting the need for change," notes Ask Michael Munck. "And to be willing to disrupt ourselves."

“OUR CLIENTS ARE AWARE OF THE NEED TO MANAGE THEIR ENERGY PRICE RISKS; BUT VERY OFTEN, THEY NEED A TRUE ENERGY TRADING SPECIALIST TO HELP THEM”

Peder D. Møller
CEO, Global Risk Management

Peder D. Møller, CEO, Global Risk Management

GREEN VOLATILITY

Managing risk will become even more challenging when the maritime industry transitions to use sustainable fuel. Global Risk Management is working to prepare and help clients navigate the future.

Everyone in the maritime industry knows that effective energy price risk management is the key to maintain competitiveness. Irrespective of their company size, they are affected by the price and volatility of the oil market. They know that as the world transitions to greener fuel use, they will have to navigate an uncertain future.

Global Risk Management (GRM) is already recognized for its expertise in leveraging sophisticated hedging tools to help keep clients' energy costs within a predictable and acceptable range. Now, the company is preparing for a future where their services will be in even greater demand.

GRM will stand by its clients, who will have significantly more choices to fuel their fleets, emission targets to achieve, and more significant regulatory hurdles to overcome. GRM is working on many of these industry-wide issues, giving the company real market insights and enabling it to understand future energy market conditions better.

Closer partnership across the Bunker Holding Group

Hedging against energy price risk means strategically using financial instruments or market strategies to offset the risk of any adverse price movements. Thus, hedging is a technique used to reduce a potential loss and not maximize potential gains. Hedging allows for better corporate budgeting and creates more significant cash flow certainty.

GRM sees great potential in putting even more focus on servicing the maritime industry and support the bunker trading divisions in Bunker Holding.

"Historically, GRM operated quite independently of the larger Bunker Holding Group. But today, it is clear to all of us that our clients have much to gain by strengthening GRM's cooperation across the Bunker Holding Group," says CEO Peder D. Møller.

"The Group has many clients who do not manage their energy price risks with GRM; this is potential for growth. GRM has also been focused on the European market – and successfully so – but we have global ambitions for the coming years."

GRM's clients are typically smaller and medium-sized companies, since the industry's most significant players often handle their hedging in-house or have an investment bank do it for them.

"Our guiding philosophy is that every company is unique and deserves more than just a standardized solution. Global Risk Management has always been focused on understanding and helping manage our customers' energy risks."

"AFTER HAVING REVIEWED THOUSANDS OF TRADES, THE TELL-TALE SIGNS OF FORGERY AND DECEPTION BECOME OBVIOUS TO OUR TRAINED EYES"

Wei Yen Yip
Global Head of Compliance

STRONGER SAFEGUARDS

Bunker Holding has one of the most comprehensive compliance systems in the industry, and we are continually strengthening it.

Every day, Bunker Holding's Global Head of Compliance and her team analyse scores of ship movements, pour over bills of lading, and scrutinise ownership and official documents; all to determine if a potential trade is legitimate.

"After having reviewed thousands of trades, the telltale signs of forgery and deception become obvious to our trained eyes," notes Wei Yen Yip. "Other times they can be more well-crafted, so it is really about asking the right questions and getting the relevant documents for verification."

New investigations around the clock

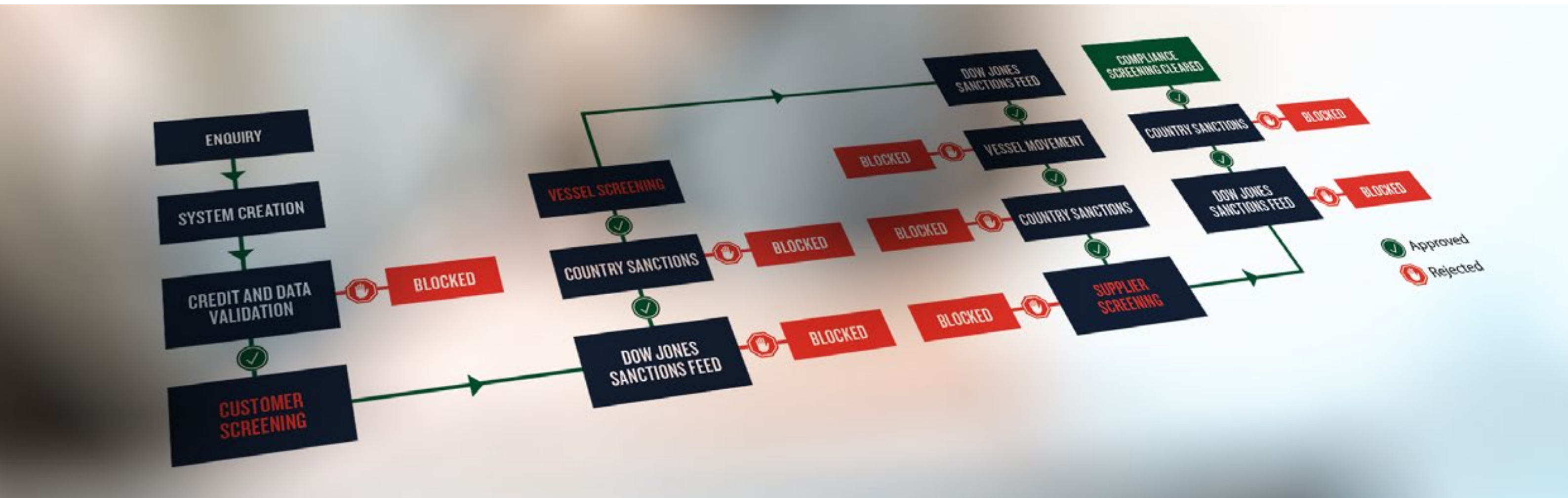
On a busy day, the Compliance team could be launching into a new investigation every half hour. With team members covering all time zones, they can quickly handle most flagged requests around the clock. A new enquiry on a blocked customer account or vessel triggers the start of a new investigation. The block will only be removed once everything has been verified as genuine and lawful, and until and unless that happens, transactions cannot be entered into the system.

All vessels around the world are required to be tracked by AIS – the maritime equivalent of GPS. The global merchant fleet numbers at more than 50,000 ships, and their move-ments are governed by a big and complex landscape of various national and regional jurisdictions, with local rules and regulations that are under constant development.

The processes guarding Bunker Holding against violations comprises of several layers. First, the internal system is programmed to check vessels and counterparties against country sanctions. Next, global intelligence services provide data verification and screening against external, independently sourced, and constantly updated sanctions lists. This is supplemented by maritime intelligence feeds tracking the position of the vessels in question. Last but not least, the Compliance team conducts a manual review of the transactions. Each layer is designed to filter out risks, and the overall effect is a finely meshed safety net.

The battle ground is constantly shifting. International trade sanction policies are subject to frequent change depending on the political climate and global events. A few years ago, sanctions against North Korea loomed large. Then, the focus turned to Iran. More recently, Venezuela has increasingly become the Compliance team's centre of interest.

Bunker Holding strives to be at the forefront of the fight against sanction violations, and continuously prepares for new methods from the sanction breakers. For example, the Compliance team recently noticed that vessels rarely call sanctioned countries directly, and instead obscure their movements or loiter close to an area of interest. This has necessitated more in-depth investigations and procuring more sophisticated maritime intelligence feeds to detect possible dark activity.



A FINE-MESHED SAFETY NET

Over the past six years, the Group has built up one of the most comprehensive compliance systems in the industry. Wei Yen Yip is continually seeking to strengthen it. The Compliance team has increased manpower, ensured that compulsory e-learning programs have made all traders and managers well-versed in compliance policies, taken onboard new intelligence systems and held regular presentations to outline current issues and risks to the traders.

It is comforting to note that nowadays, red flags are not only raised by the system, but increasingly by the traders, bunker purchasers, treasury and credit managers alike whenever they sense something amiss. "This shows a growing understanding of the importance of sanctions compliance within the group, which is what we set out to achieve. After all, compliance is not just an individual responsibility, but also a team effort."

“COMPLIANCE IS NOT JUST AN INDIVIDUAL RESPONSIBILITY, BUT ALSO A TEAM EFFORT.”

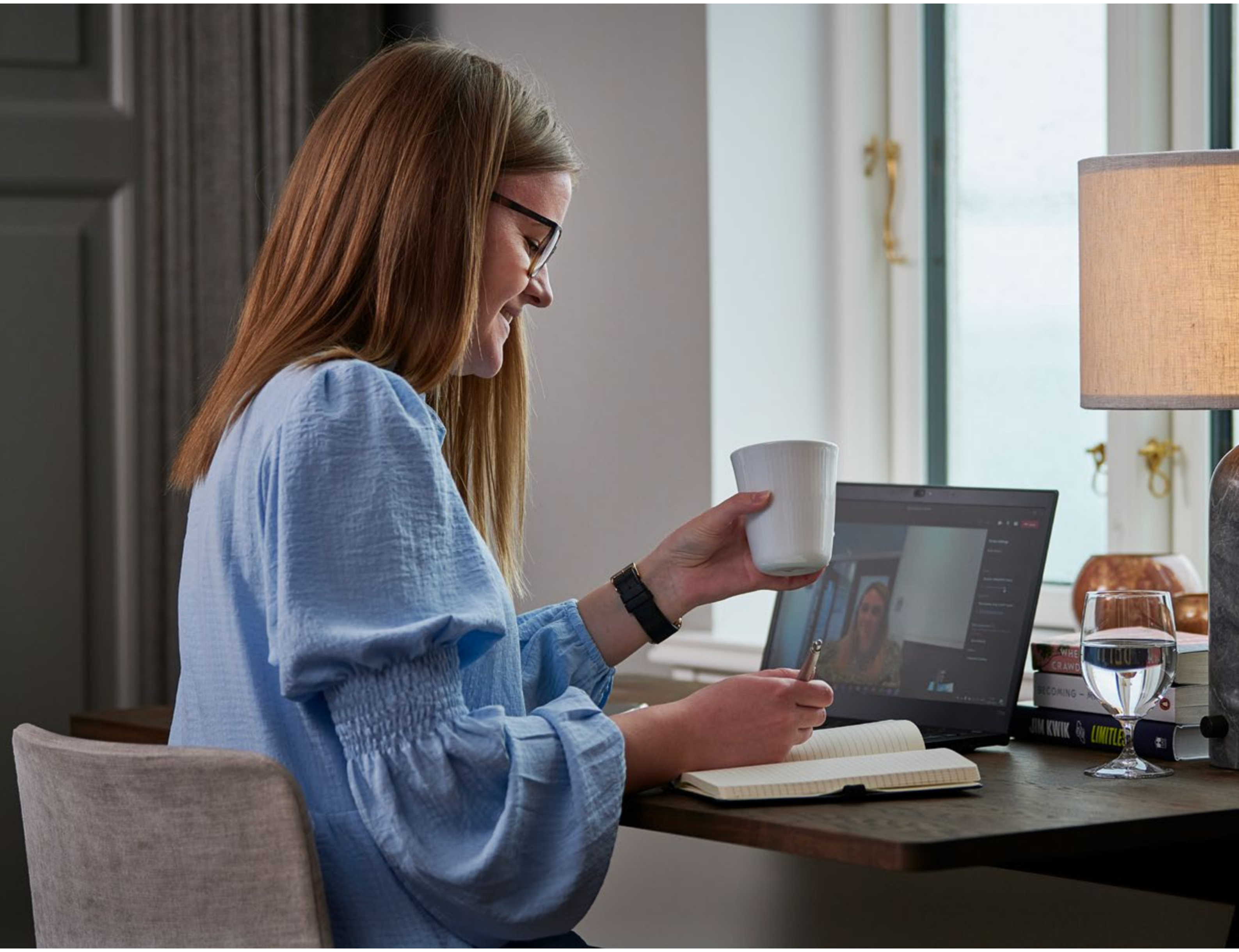
Wei Yen Yip
Global Head of Compliance

Wei Yen Yip, Global Head of Compliance

HOW TO GROW STRONGER IN A PANDEMIC

In a business that relies on motivated employees and dynamic teams, the global lockdown was a significant threat. Instead, our responses to the crisis have forged an organisation that is stronger than ever.

Pernille Græsdal Beck, Executive HR Business Partner



When the pandemic paralysed the world in early 2020, its potential impact on Bunker Holding was significant. The Group's employees were sprinkled over 35 different countries on all continents, and now at risk of being disconnected from headquarters, clients, suppliers, and colleagues. In a business heavily reliant on connected and motivated employees, a difficult financial year loomed.

One year later, Bunker Holding has increased volume in a contracting market, gained market share, and reinforced its position as the leading bunkering supplier in the world.

In the face of unprecedented obstacles, employees around the globe performed above and beyond all expectations. And in the process of enabling them to do so, Bunker Holding forged an organisation that is stronger and more motivated than ever before.

Responding like a nimble start-up

When the pandemic hit, and many employees were suddenly housebound, Bunker Holding responded swiftly – quickly adapting to the evolving crisis, embracing out-of-the-box thinking, and adopting new ideas. If this sounds more like a fledging start-up than corporate flagship that is no coincidence, but rather a reflection of the nimble and agile organisation the Group had already long strived for, and now recognises as a prerequisite for successfully dealing with the crisis.

"Lately, we have been gratified to hear from employees that they feel part of a very strong Group. This shows me that we have not only successfully navigated through the crisis, but also learnt important lessons about nurturing motivation, communicating with employees, and managing change," says Pernille Græsdal Beck, Executive HR Business Partner.

"WE WILL EXIT THE PANDEMIC AS A STRONGER ORGANISATION"

Pernille Græsdal Beck
Executive HR Business Partner

5 KEYS TO SURVIVING THE CRISIS

Launching a dedicated website
Within 24 hours, a website dedicated to COVID-19 was created and launched, and over the coming months a slew of often imaginative and ground-breaking initiatives were also launched.

Devolving decision-making
One important decision was to devolve more decision-making to local managers around the world. Because the crisis was so fluid and unpredictable, and our offices beholden to different local situations and regulations, detailed directions from HQ no longer made sense. Instead, the corporate HR department quickly pivoted to simply set basic ground rules, allowing local managers to pursue the HR solutions they felt would work best with their staff and in their particular culture.

"This has turned out to be very successful, and one lesson from the past year has been how valuable it is to work closely with local managers and empower them," says Pernille Græsdal Beck, "we forged stronger teams than ever before."

Creating a virtual Social Club
With almost 80 percent of all employees forced to work from home at one point, the HR & Communications team worked hard to keep up the spirits amongst employees. A virtual Social Club was launched with activities such as virtual yoga, a magic show, quizzes, and generally sharing the Corona lifestyle; all in the service of motivating employees to share experiences with each other.

Monitoring how employees coped
Aware of the need to focus on how each employee was coping with the impact of the pandemic, the Group's hitherto semi-annual engagement survey was upgraded to a monthly frequency, and a number of questions specifically relevant to the COVID-19 situation added.

Connecting the CEO with all
Bunker Holding also felt it was crucial that even if they were physically locked out of the local office, employees should still feel closely connected to the pulse and decision-making in the Group. Therefore, CEO Keld Demant's regular sessions with Group managers were reinvented as Tuesday Talks and now broadcast to all employees.


USTC

FAMILIAR FUTURE

The three active owners of Bunker Holding sit down for a talk about past and future challenges, as the next generation of the founding family prepares to take the reins.

TØN, Nina and Mia. Within Bunker Holding, indeed within the entire USTC Group, no further introduction would be necessary. TØN is the founder of the company. His daughters are only slightly younger than Bunker Holding and have both been integral parts of the company since they were old enough to be given their first after-school job. The fact that they have recently been confirmed as the future active owners of USTC – and thus Bunker Holding – is generally regarded amongst employees as how things were always meant to be.

To the world at large, TØN is Torben Østergaard-Nielsen, founder of the USTC Group. Nina, 37, is Ms. Østergaard Borris, COO of USTC since January 2020. Mia, 31, is Ms. Østergaard Nielsen, just announced in June 2021 as Head of Corporate Governance at USTC.

As the books were being closed on a dramatic and unusual year, the father and his daughters gathered for an informal talk about past and future.

"... ANOTHER ADVANTAGE AS A FAMILY-OWNED BUSINESS IS OUR AGILITY AND FAST DECISION MAKING."

Torben Østergaard-Nielsen

This has been a challenging year for everyone, not least the shipping industry. How do you as the owner-family reflect on 2020/21?

TØN: I have been in this business for more than 40 years, and I have never seen anything quite like the past year. At one brief point, demand in one market was so low, people would pay you to take their oil. Important industries to us, like offshore, aviation, and cruising, were all brought to their knees by the pandemic.

NINA: Yes, it has been a dramatic year. And in the midst of this global crisis, Bunker Holding has increased volume, gained market share, and reinforced its position as the world's leading bunkering company. We also acquired the fifth largest company in the industry.

MIA: And finally, we not only retained all our talented employees during the pandemic, but also attracted new industry profiles.
And at the same time, we upgraded our IT and marketing, and we forged a new strategy.

Is that one of the advantages of family ownership for Bunker Holding?

MIA: I think our performance during the COVID-19 pandemic is a fine example of how our family ownership allows us to look to the far horizon, plan ahead, and keep a steady course without needing to worry about temporary ripples on the surface.

TØN: That's true. And another advantage as a family-owned business is our agility and fast decision making. We have always been ready for change, and to move the company to where the next opportunity is.

NINA: We are not limited by quarterly reports. Right now, we are making investments in employees, IT and other areas that may not generate returns next year, but only several years from now. We are fine with that.

TØN: As you say, Nina, a company's direction is often governed by investor relations, but we never have to do window dressing. Our horizon is measured in generations.

"OUR JOB IS TO SET THE FRAMEWORK AND ENSURE THAT THE COMPANY IS GUIDED BY THE RIGHT MINDSET."

Mia Østergaard Nielsen

Over the coming decades, the maritime industry must transition to revolutionary new fuels. How do you view this challenge?

TØN: You know, there is a lot of talk about how global shipping over the coming years and decades must transition to new and sustainable bunker fuels. Yes, new fuels are on the horizon, but this is nothing new. The bunkering business has always been on a journey of constant change. You know, bunkering used to mean coal. Bunkers were the name for the storage containers for coal in the old steamships. Today, bunkering is oil. Tomorrow, something else.

NINA: You are absolutely right that we are entering a period with uncertainty in the industry about the future: about fuel, supply, and cost. But that's a perfect time to be a tradesman. And we have grown up with tradesmanship in our veins.

MIA: Our job is to be there for our clients. We have to be the middleman who offers relevant services and creates value. In a more challenging and uncertain future, that will be truer than ever. We are looking at a very exciting business – and also a very different and more sustainable business.

NINA: Absolutely. We are recruiting people for specialist positions that did not even exist five years ago. New fuels and digitalisation are some of our next steps. We sell fuel, but we also possess a vast amount of data that is becoming a commodity in its own right. But our tradesmanship is the core competence that stands above all else. We are not a commodity trader. We are a service provider.

Why have you chosen to be active owners of the company, rather than just taking a more passive role?

NINA: This company has always been such a great part of my life. If I had decided to accept a passive role here, it would be like saying goodbye to half my family.

MIA: There are people working here whom we have known all our lives.

NINA: When we left to work outside the company, people would ask us, »when are you going to come home?«

TØN: Recently, one of our captains who had been with us for decades was retiring, and he visited the office with a gift of a dozen drawings he had been given by you, Nina over the years. On some of them, you were barely old enough to spell your own name.

MIA: Personally, I look forward to being an even more active owner of the company. Dad, you always told us to choose our own paths. There was never any pressure to join the company. This was a decision Nina and I had to make on our own. We were curious about the business and both worked here when we were young. But it was a long process and a close dialogue in the family before we decided to take the reins.

Now that Nina and Mia have both become active owners, what are your future roles?

NINA: We have made a plan for each of us that includes taking on more responsibilities as our father gradually steps further and further back. Our father was the pioneer and entrepreneur, but our roles will be different because the company has grown into such a big and complex organisation. Mia and I are also active in the Selfinvest Family Office, which is where our family's active ownership of the USTC group is rooted.

MIA: Yes, and the plan leaves space for our roles to evolve over time. Your strengths, Nina, are on the commercial, operational and economic side, while I work more with management development, corporate culture and recruitment, as well as the entire ESG agenda (the environmental, social, and governance criteria). Our job is to set the framework and ensure that the company is guided by the right mindset. We will work to ensure that we have the right governance structure. Our boards of directors must have the right competences and values, and their set of competences must evolve with the markets.

"... OUR TRADESMANSHIP IS THE CORE COMPETENCE THAT STANDS ABOVE ALL ELSE. WE ARE NOT A COMMODITY TRADER. WE ARE A SERVICE PROVIDER."

Nina Østergaard Borris

TØN: USTC will remain in this family's ownership for generations to come, and the aim of our ownership strategy is to provide a solid foundation for the next generations. Bunker Holding and the other companies in the group will be led by able and experienced management teams. Our roles are as active, knowledgeable and visionary owners who ensure that my family's ethos and values continue to pervade the company.

At Bunker Holding, we recognise our duty to work to reduce negative and increase positive impacts on the individual, the society and the environment.

CORPORATE SOCIAL RESPONSIBILITY

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 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. We regard it as an imperative that we comply 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.

We also recognise personal data protection as an increasingly important focus area. As legislation and regulations are being rolled out worldwide to ensure that companies follow ever stricter requirements on protection of personal data, Bunker Holding has responded with 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. We work proactively 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. Please read more about our global effort to safeguard against sanctions violations on page 34.

We have also taken steps to ensure that we have adequate procedures to prevent fraudulent behaviour – both amongst individuals within the Group and amongst persons associated with the Group. This includes ensuring that everyone in the company – board members, managers, employees – each possesses a general understanding of relevant applicable laws. Through 2020 and 2021, we have achieved this with manuals, recurring training, the staff's mandatory annual completion of compliance e-learning, and other specific programmes.

Generally, our activities are subject to several strict anti-corruption laws, including the Danish Criminal Code, the UK Bribery Act, and the US foreign Corrupt Practices Act.

Regarding tax policies, we shall act with integrity and maintain good corporate citizenship in handling the tax affairs of Bunker Holding. With our best effort we intent to comply with applicable tax regulations. We will act in an upright manner towards public authorities and pay the taxes as required by law.

We aim to ensure we are aware of all relevant tax risks, compliance matters and legislative developments. Tax risks are actively identified, managed and mitigated. The CFO of Bunker Holding has the overall responsibility for tax matters and approves the tax policy.

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 globalized 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 respecting 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 54 nationalities and a multitude of different cultural backgrounds. Our youngest employee is only 20 years old – the oldest turned 76.

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 nine board members. Seven males and two females. As for now, the percentage of female board members elected by the shareholder's committee is 22.2%. The target for the female gender of 20% this year was accordingly met, and we aim to reduce the imbalances in the board by setting a target of 25-33% for 2022.

As for the subsidiaries, A/S Dan-Bunkering Ltd, A/S Global Risk Management Ltd, A/S Global Risk Management Ltd. Fondsmæglerselskab, KPI OceanConnect A/S and Unioil Supply A/S, there are no female members in the Board of Directors and the targets for 2022 are the same as for Bunker Holding A/S.

Bunker Holding is striving to ensure that the under-represented gender is represented on the list of candidates. 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 2020/21 we have strived to ensure the under-represented gender is represented on the list of candidates at other management levels. We have seen the results of our strong recruitment process in the financial year – and work to see even stronger results in 2021/22.

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. 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

Engagement process
We have always been committed to interacting with our employees to create a world-class workplace, and we constantly harness our learnings about what motivates our team members to come to work every day. One important tool is an annual appraisal campaign: The PDR – People Development Review – which helps us plan, facilitate and follow up on personal and professional development.

During the COVID-19 pandemic, we conducted monthly pulse surveys to understand how employees were coping. The trend was clear through all surveys. Employees scored high on how well they felt supported by their immediate manager (8,8 on a 10 point scale) as well as by BHG in general (8,3 on a 10 point scale).

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.

The Accelerator Programme (TAP)
With this ambitious talent 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.

Internal training
Staff development is a key element in future growth and retention. This year being the year of Corona, the usual classroom trainings were transformed into live sessions in Microsoft Teams. Throughout the year, employees from our global workforce have attended more than 500 hours of internal training via live sessions, we extended the access to e-learnings and self-studies, and educated tutors to teach online as well.

Physical safety: QHSE Management
We are concerned about the safety of our employees as well as 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. We strive to be a forerunner in safety and environmental protection in good cooperation amongst local authorities and tonnage providers.

The right procedures and training of high awareness by internal and external personnel is a key element to 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 travel 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 spills, which is why we take all necessary measures to avoid causing harm to nature. In 2020/21, we have been constantly looking for ways to improve environmental and operational performance and at the same time facilitate a person'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 information please see our Code of Conduct, which can be downloaded at our website.

Bunker Holding will continue to take the lead in driving the transition to a more sustainable future. We are presently involved in two ambitious and visionary projects aimed at transforming the shipping industry. For more information on this, please read the Letter from the CEO on page 8.

Community engagement

Bunker Holding's work with corporate social responsibility is both global and local. As a global company and industry leader, we recognise our moral obligation and our fortunate ability to give back to local communities on all continents and support those in need. At the same time, we have devolved the decisions on which worthy causes and individuals to support to our local offices. Using their knowledge of the challenges and opportunities affecting their community, they support and donate to local charities that are close to their heart. Having said that, national and global charities like Doctors of the World and Make a Wish also receive support from local offices.

The challenges of the past year have only made the work of charities even more urgent. In Dubai, Glander International Bunkering participated in the "100 Million Meals" campaign for underprivileged communities in the Middle East, Africa and elsewhere.

Some offices have supported the same local programs for years. In South Africa, SABT sponsors the Hout Bay United football team. More than just another club, they are the first charitable football community in the world. The amateur club profiles its players and places them in suitable internships at local businesses with a view to full-time employment. Liverpool manager Jûrgen Klopp is another of their patrons.

Charity, healthcare, community building and the environment are amongst the areas most often chosen by Bunker Holding's global offices. Much of KPI Oceanconnect's support, for example, goes to organisations that respectively help people who have suffered from a stroke; aids bereaved families after sudden infant death; and pioneer research on Alzheimer's decease.

These are just a handful of the numerous efforts carried out by Bunker Holding employees and managers around the world. In all cases, employees have shown engagement and passion in helping their communities.

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 and bunker industry.

Other directorships
Chairman and member of the boards in most USTC Group companies. Member of the boards in Fayard Holding ApS, Fayard A/S, Fiberline Holding ApS, 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 from 1988-2020. 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, Bawat A/S, Moscord Pte. Ltd. and the investment committee Maritime Investment Fund 1 K/S and Maritime Investment Fund 2 K/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 Norchem A/S. Director of Return ApS.

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 from 2002-2021 (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, Uni-Tankers A/S, K/S Habro-Lowestoft, K/S Meiderich and Aps Habro Komplementar-19.

Education
MSc in Business Administration and Computer Science.

BOARD OF DIRECTORS
CONTINUED

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. Moller-Maersk 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 Board in Sund & Bælt Holding A/S 2016-2021. Chairman/ Vice Chairman of the Board in Oeresundsbro Konsortiet 2017-2021. Member of the boards in A/S United Shipping & Trading Company and Uni-Tankers A/S.

Education
Shipping education at A.P. Moller-Maersk supplemented with management training at INSEAD and Cornell University.

TORBEN JANHOLT
Board member

Born in 1946.
Board member since 2006.
Professional board member.

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 and Torm PLC (2015-2021).

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

PETER APPEL
Board member

Born in 1961.
Board member since 2019.
Partner, Gorrissen Federspiel law firm.

Special competences
In-depth knowledge and extensive experience within legal matters related to the shipping industry, as an adviser to and member of directors in a number of Danish shipping companies and investment foundations with connections to the area. Specialised in the transport sector and infrastructure projects, including extensive knowledge about ferry service, train and harbour projects.

Other directorships
Chairman of the boards in Deloitte Fonden, Clipper Group A/S, Fayard Holding Aps, Fayard A/S and Den Danske Søretsforening.
Member of the boards in A/S United Shipping & Trading Company, Uni-Tankers A/S, SDK FREJA A/S, Clipper Group Ltd., BIMCO Informatique A/S, Norchem A/S, British Chamber of Commerce in Denmark, Sølovsudvalget and Maritime Development Center.

Education
LL.M. (Master of Laws), Copenhagen.
Maritime Law, University of Oslo
LL.M with Merit in Commercial and Corporate Law, London School of Economics.

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 Lomax A/S and parent company, Nymølle Stenindustrier A/S and the Investment Committee of Zoscales Partners. Member of the boards in Bunker Holding A/S, Uni-Tankers A/S, DSVM Invest A/S and certain subsidiaries, DANX Holding I A/S 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.
Associate, Spencer Stuart.
Owner of the USTC Group (A/S United Shipping & Trading Company).

Special competences
Executive search and leadership assessments. Sparring partner for large CAP and PE owned companies on CFO talent pool as well as C-suite succession planning and psychometric testing and in-depth interviewing. Other directorships Member of the boards in A/S United Shipping & Trading Company and Uni-Tankers A/S.

Education
MSc in Human Resource Management supplemented by courses at Harvard University and London School of Economics.

NINA ØSTERGAARD BORRIS

Board member
Born in 1983.
Board member since 2014.
COO and owner of the USTC Group (A/S United Shipping & Trading Company).

Special competences
Company evaluations, mergers & acquisitions, financial due diligence, business restructuring, reorganisation, turnarounds and compliance.

Other directorships
Member of the boards in A/S United Shipping & Trading Company, SDK FREJA A/S, Uni-Tankers A/S and Unit IT A/S.

Education
Master's degree in applied economics and finance (Cand. merc. AEF) supplemented by courses at Harvard University and London School of Economics and Political Science.

EXECUTIVE
MANAGEMENT

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

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

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. Chairman of the board in 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	2020/21	2019/20
Revenue	1	9,769,105	10,946,049
Costs of goods sold		-9,474,956	-10,506,517
Gross Profit		**294,149**	**439,532**
Other operating income		7,168	1,180
Other external expenses	2	-199,966	-235,596
Depreciation, amortisation and impairment	6-8	-20,002	-20,180
Earnings before interest and tax (EBIT)		**81,349**	**184,936**
Share of profit/loss in associated companies	9	2,125	2,000
Financial income	3	5,684	10,241
Financial expenses	3	-18,811	-42,024
Earnings before tax (EBT)		**70,347**	**155,153**
Corporation tax	4	-13,735	-28,976
Earnings after tax (EAT)		**56,612**	**126,177**
Attributable to:			
Shareholder in Bunker Holding A/S		56,612	126,177

STATEMENT OF COMPREHENSIVE INCOME

USD'000	Note	2020/21	2019/20
Profit for the year		**56,612**	**126,177**
Items that may be reclassified to Income Statement			
Fair value adjustment of derivative financial instruments		37,568	-26,975
Exchange differences on translation of foreign operations		611	-2,905
Income tax relating to these items		-7,393	5,209
Other comprehensive income		**30,786**	**-24,671**
Total comprehensive income		**87,398**	**101,506**
Attributable to:			
Shareholder in Bunker Holding A/S		87,398	101,506

STATEMENT OF FINANCIAL POSITION

USD'000	Note	2020/21	2019/20
Non-current assets			
Intangible assets	6	34,755	31,967
Property, plant and equipment	7	6,095	20,573
Right-of-use assets	8	37,089	31,085
Investments in associates	9	9,442	7,317
Receivables		514	644
Deferred tax	4	4,468	9,342
Total non-current assets		**92,363**	**100,928**
Current assets			
Inventories		364,878	107,151
Trade receivables	12	953,086	639,420
Tax receivables		12,716	11,135
Other receivables		43,458	44,620
Derivatives	10	71,529	295,116
Cash and cash equivalents		93,200	109,048
Total current assets		**1,538,867**	**1,206,490**
Total Assets		**1,631,230**	**1,307,418**
Equity			
Share capital		1,781	1,781
Reserves		13,566	-19,345
Retained earnings		319,090	374,603
Equity	13	**334,437**	**357,039**
Non-current liabilities			
Borrowings	12	112,922	95,147
Lease liabilities	8	24,811	22,032
Deferred tax	4	5,262	4,617
Total non-current liabilities		**142,995**	**121,796**
Current liabilities			
Borrowings	12	308,186	249,465
Lease liabilities	8	13,250	9,597
Trade payables		644,421	381,070
Corporation tax		14,965	24,202
Derivatives	10	116,958	101,099
Other payables		56,018	63,150
Total current liabilities		**1,153,798**	**828,583**
Total liabilities		**1,296,793**	**950,379**
Total equity and liabilities		**1,631,230**	**1,307,418**

STATEMENT OF CHANGES IN EQUITY

USD'000	Share capital	Hedging reserve	Foreign currency translation reserve	Reserve for other equity investments	Retained earnings	**Total equity**
2020/21						
Equity at 1 May	**1,781**	**-20,633**	**-5,718**	**7,006**	**374,603**	**357,039**
Earnings after tax (EAT)	0	0	0	2,125	54,487	56,612
Other comprehensive income	0	30,175	611	0	0	30,786
Total comprehensive income for the year	**0**	**30,175**	**611**	**2,125**	**54,487**	**87,398**
Dividend to shareholder	0	0	0	0	-110,000	-110,000
Total transactions with shareholder	**0**	**0**	**0**	**0**	**-110,000**	**-110,000**
Equity at 30 April	**1,781**	**9,542**	**-5,107**	**9,131**	**319,090**	**334,437**
2019/20						
Equity at 1 May	**1,781**	**1,133**	**-2,813**	**5,006**	**312,943**	**318,050**
Earnings after tax (EAT)	0	0	0	2,000	124,177	126,177
Other comprehensive income	0	-21,766	-2,905	0	0	-24,671
Total comprehensive income for the year	**0**	**-21,766**	**-2,905**	**2,000**	**124,177**	**101,506**
Dividend to shareholder	0	0	0	0	-62,517	-62,517
Total transactions with shareholder	**0**	**0**	**0**	**0**	**-62,517**	**-62,517**
Equity at 30 April	**1,781**	**-20,633**	**-5,718**	**7,006**	**374,603**	**357,039**

CASH FLOW STATEMENT

USD'000	**2020/21**	2019/20
Earnings before interest and tax (EBIT)	81,349	184,936
Depreciation, amortisation and impairment	20,002	20,180
Changes in receivables	-292,246	317,597
Changes in inventories	-257,727	70,594
Changes in derivatives	275,672	-209,132
Changes in trade payables, other payables, etc	236,604	-226,428
Cash flow from operating activities before financial items and tax	**63,654**	**157,747**
Financial income received	5,078	10,241
Financial expenses paid	-21,186	-38,688
Corporation tax paid	-18,775	-21,968
Other adjustments	7,062	-3,007
Cash flow from operating activities	**35,833**	**104,325**
Business acquisition	-10,000	0
Purchase of intangible assets	-7,161	-4,603
Purchase of property, plant and equipment	-4,427	-4,012
Sale of property, plant and equipment	15,839	138
Cash flow from investing activities	**-5,749**	**-8,477**
Repayment of borrowings	-16,538	-11,163
Changes in bank borrowings	80,606	-102,051
Dividend paid	-110,000	-62,517
Cash flow from financing activities	**-45,932**	**-175,731**
Change in cash and cash equivalents	**-15,848**	**-79,883**
Cash and cash equivalents at 1 May	109,048	188,931
Change in cash and cash equivalents	-15,848	-79,883
Cash and cash equivalents at 30 April	**93,200**	**109,048**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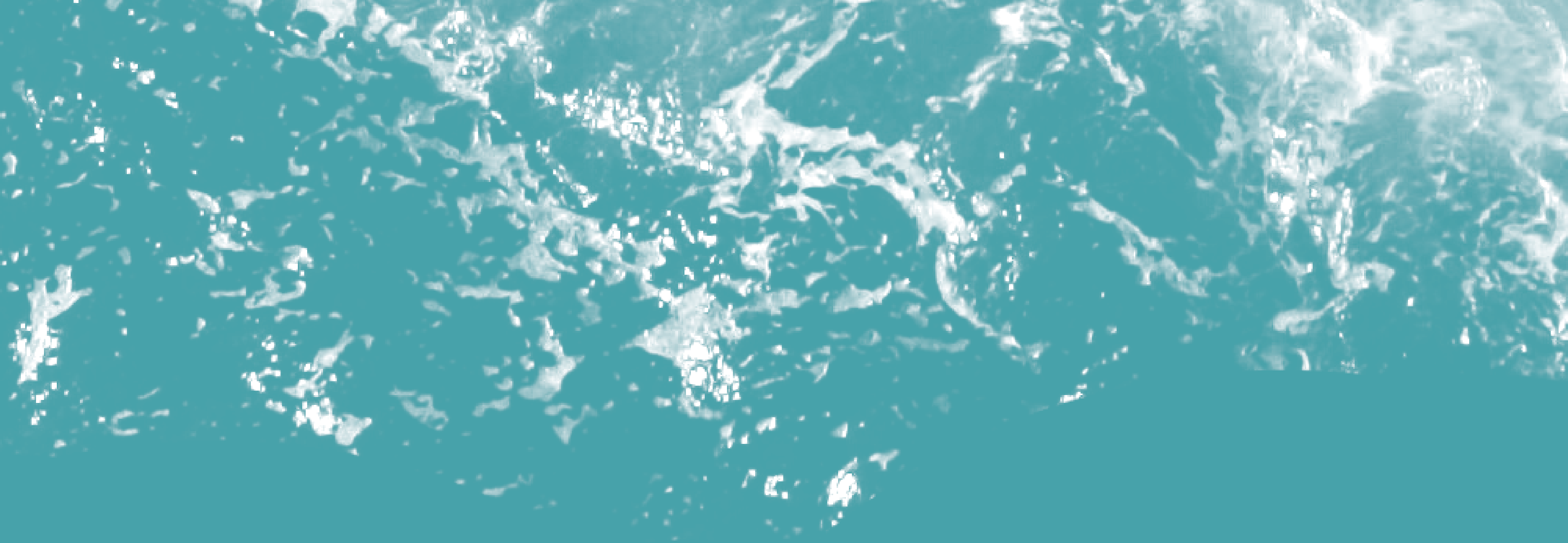

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NOTES

NOTE 1 — REVENUE

USD'000	2020/21	2019/20
Sale of goods and services	9,754,409	10,911,804
Commodity derivatives	14,696	34,245
Total	**9,769,105**	**10,946,049**
Revenue specified on geographical areas:		
Europe	4,526,979	5,472,261
Asia	3,646,082	3,364,142
Americas	1,313,929	1,771,495
Other	282,115	338,151
Total	**9,769,105**	**10,946,049**

NOTE 2 — OTHER EXTERNAL EXPENSES

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

USD'000	2020/21	2019/20
Staff expenses		
Wages and salaries	-118,442	-135,164
Pensions	-6,434	-4,537
Other social security expenses	-10,032	-7,810
Total	**-134,908**	**-147,511**
Number of employees at 30 April	**1,589**	**1,536**
Annual full-time employees	**1,606**	**1,508**

Staff expenses do not include costs to rented crew.

NOTE 3 — FINANCIAL INCOME AND EXPENSES

USD'000	2020/21	2019/20
Interest expenses on liabilities	-16,700	-34,492
Interest expense on lease liabilities	-1,590	-1,346
Interest income on loans and receivables	4,941	7,681
Securities, capital losses	-2,759	-2,088
Net interest expenses	**-16,108**	**-30,245**
Net foreign exchange gains/losses	743	2,560
Fair value gains/loss from currency derivatives	2,238	-4,098
Net fair value gains/losses	**2,981**	**-1,538**
Financial expenses, Net	**-13,127**	**-31,783**
Of which:		
Financial income	5,684	10,241
Financial expenses	-18,811	-42,024

NOTE 4 — TAXES

USD'000	Income statement	Other comprehensive income	Total
2020/21			
Current tax for the year	-7,975	-7,393	-15,368
Tax concerning previous years	-311	0	-311
Adjustment of deferred tax	-5,449	0	-5,449
Total tax for the year	**-13,735**	**-7,393**	**-21,128**
2019/20			
Current tax for the year	-28,399	5,209	-23,190
Tax concerning previous years	161	0	161
Adjustment of deferred tax	-738	0	-738
Total tax for the year	**-28,976**	**5,209**	**-23,767**

Reconciliation of tax expenses

USD'000	2020/21	2019/20
Earnings before tax	-70,349	155,153
Share of profit/loss in associated companies	-2,125	-2,000
Non-deductible expenses, net	32	976
Other adjustments	-3,615	2,697
Earnings before tax adjusted	**64,639**	**156,826**
Tax using the Danish corporation tax rate	-14,220	-34,502
Tax rate deviations in foreign jurisdictions	1,027	5,248
Adjustment relating to previous years' taxes	-311	161
Others	-231	117
Total Income tax	**-13,735**	**-28,976**

Deferred taxes

USD'000	2020/21	2019/20
Deferred tax at 1 May	4,725	5,426
Exchange rate adjustment	-70	37
Adjustment relating to previous years	0	0
Recognised in the income statement	-5,449	-738
Deferred tax at 30 April	**-794**	**4,725**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	4,468	9,342
Deferred tax liabilities	-5,262	-4,617
Deferred tax at 30 April	**-794**	**4,725**

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 3,1 million in 2020/21 (2019/20: USD 3,0 mill).
Unrecognised tax asset may be carried forward for a unlimited period of time, and it is uncertain whether the tax loss can be utilised.

NOTE 4 — TAXES (CONTINUED)

The balance comprises temporary differences attributable to:

USD'000	Deferred tax assets		Deferred tax liabilities	
	2020/21	2019/20	**2020/21**	2019/20
Intangible assets	230	1,954	-4,094	-3,151
Property, plant and equipment	140	360	-107	-106
Other assets	12	867	-1,061	-1,360
Provisions	1,985	1,510	0	0
Tax losses etc.	2,101	4,651	0	0
Deferred tax at 30 April	**4,468**	**9,342**	**-5,262**	**-4,617**
Expected to be utilised as follows:				
Within 12 months	894	1,868	-1,052	-923
After 12 months	3,574	7,474	-4,210	-3,694
Total	**4,468**	**9,342**	**-5,262**	**-4,617**

NOTE 5 — BUSINESS COMBINATIONS

USD'000	Country	Acquired ownership	Acquisition date	Main Activity	Consideration
2020/21					
OceanConnect Marine	Dubai, Germany, Hong Hong, Qatar	100%	31 July 2020	Bunker Trading and mediation	9,262

In 2020/21 Bunker Holding Group gained control of OceanConnect Marine located with several companies around the world.

Acquisition-related costs of USD 711k that were not directly attributable to the issue of shares are included in other external expenses in income statement and in cash flows from operating activities in the cash flow statement.

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

The Badwill is recognized in the income statement under Other operating income.

Assets acquired and liabilities recognised at the date of acuistion:

USD'000	31 July 2020
Non-current assets	
Property, plant and equipment	256
Current assets	
Trade receivables	14,535
Other receivables	4,656
Derivative	11,243
Cash at bank and in hand	738
Current Liabilities	
Trade payables	-10,491
Other liabilities	-5,850
Total allocation to net assets	**15,087**
Badwill arising on acquistion	-5,087
Total purchase price	**10,000**
of which acquried cash and cash equivalents	-738
Total consideration	**9,262**

The acquired business contributed to the group with:

USD'000	31 July 2020
Since date of acquistion	
Revenue	397,380
Net Profit	782
If acquired 1 of May:	
Revenue	529,839
Net Profit	1,043

NOTE 6 — INTANGIBLE ASSETS

USD'000	Goodwill	Patents, trademarks and other rights	IT development and software	Customer relationships	Total
2020/21					
Cost at 1 May	14,070	17,007	18,632	33,242	82,951
Exchange rate adjustment	0	0	81	0	81
Additions	0	1,000	6,160	0	7,160
Disposals	0	0	-1,843	0	-1,843
Cost at 30 April	**14,070**	**18,007**	**23.030**	**33,242**	**88,349**
Depreciation at 1 May	0	-14,397	-6,119	-30,468	-50,984
Exchange rate adjustment	0	0	-80	0	-80
Depreciation	0	-280	-1,980	-1,438	-3,698
Disposals	0	0	1,168	0	1,168
Depreciation at 30 April	**0**	**-14,677**	**-7,011**	**-31,906**	**-53,594**
Carrying amount at 30 April	**14,070**	**3,330**	**16,019**	**1,336**	**34,755**
2019/20					
Cost at 1 May	14,070	17,007	14,217	33,242	78,536
Exchange rate adjustment	0	0	-31	0	-31
Additions	0	0	4,603	0	4,603
Disposals	0	0	-157	0	-157
Cost at 30 April	**14,070**	**17,007**	**18,632**	**33,242**	**82,951**
Depreciation at 1 May	0	-13,666	-4,234	-27,070	-44,970
Exchange rate adjustment	0	0	30	0	30
Depreciation	0	-231	-1,719	-3,398	-5,348
Impairment losses	0	-500	-196	0	-696
Depreciation at 30 April	**0**	**-14,397**	**-6,119**	**-30,468**	**-50,984**
Carrying amount at 30 April	**14,070**	**2,610**	**12,513**	**2,774**	**31,967**

NOTE 6 — INTANGIBLE ASSETS (CONTINUED)

Goodwill on cash generating units

USD'000	2020/21	2019/20
LQM Petroleum Services LLC	5,569	5,569
Amoil (Pty) Ltd	773	773
Other	7,728	7,728
Carrying amount at 30 April	**14,070**	**14,070**

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.

Management determines the values assigned to each of the 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.

EBITDA margin
This is weighted average EBITDA margin defined as EBITDA 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 2020/21 (2019/20:2).

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

USD'000	2020/21	2019/20
LQM Petroleum Services LLC		
Annual growth rate %	2.0%	2.0%
EBITDA Margin %	31.0%	30.0%
Discount rate	8.0%	8.5%
Amoil (Pty) Ltd		
Annual growth rate %	2.0%	2.0%
EBITDA Margin %	39.0%	21.0%
Discount rate	8.1%	10.5%
Other		
Annual growth rate % (avg.)	2.0%	2.0%
EBITDA margin % (avg.)	43.0%	40.0%
Discount rate (avg.)	8.2%	9.3%

NOTE 7 — PROPERTY, PLANT AND EQUIPMENT

USD'000	Land and buildings	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
2020/21				
Cost at 1 May	17,289	4,640	16,102	38,031
Exchange rate adjustment	1,933	233	383	2,549
Additions	891	1,140	2,140	4,171
Acquired in Business Combinations	0	0	256	256
Disposals	-19,888	-581	-3,657	-24,126
Cost at 30 April	**225**	**5,432**	**15,224**	**20,881**
Depreciation at 1 May	-2,934	-3,226	-11,298	-17,458
Exchange rate adjustment	-254	-82	-305	-641
Depreciation	-133	-735	-2,580	-3,448
Reversed depreciation of disposals	3,278	569	2,914	6,761
Depreciation at 30 April	**-43**	**-3,474**	**-11,269**	**-14.786**
Carrying amount at 30 April	**182**	**1,958**	**3,955**	**6.095**
2019/20				
Cost at 1 May	16,212	4,396	14,843	35,451
Exchange rate adjustment	-490	-114	-521	-1,125
Additions	1,567	502	1,943	4,012
Disposals	0	-144	-163	-307
Cost at 30 April	**17,289**	**4,640**	**16,102**	**38,031**
Depreciation at 1 May	-2,691	-2,671	-9,525	-14,887
Exchange rate adjustment	81	46	263	390
Depreciation	-324	-726	-2,080	-3,130
Reversed depreciation of disposals	0	125	44	169
Depreciation at 30 April	**-2,934**	**-3,226**	**-11,298**	**-17,458**
Carrying amount at 30 April	**14,355**	**1,414**	**4,804**	**20,573**

NOTE 8 — LEASES

The balance sheet shows the following amounts relating to leases:

USD'000	2020/21	2019/20
Land and buildings	20,928	19,089
Fixtures and fittings, tools and equipment	16,161	11,996
Right-of-use assets at 30 April	**37,089**	**31,085**
Lease liabilities, Current	-13,250	-9,597
Lease liabilities, Non-current	-24,811	-22,032
Lease liabilities at 30 April	**-38,061**	**-31,629**

Additions to the right-of-use assets during the 2020/21 financial year were USD 20,0 mill., (2019/20: USD 16,4 mill.)

USD'000	2020/21	2019/20
Depreciation charge of right-of-use assets		
Land and buildings	-8,507	-8,089
Fixtures and fittings, tools and equipment	-4,349	-2,917
Total	**-12,856**	**-11,006**
Interest expense (included in finance cost)	-1,590	-1,346
Expenses relating to short-term leases	-64,759	-41,115

NOTE 9 — INVESTMENTS IN ASSOCIATES

USD'000	2020/21	2019/20
Cost at 1 May	311	311
Cost at 30 April	**311**	**311**
Value adjustments at 1 May	7,006	5,006
Share of profit for the year	2,125	2,000
Value adjustments at 30 April	**9,131**	**7,006**
Carrying amount at 30 April	**9,442**	**7,317**

USD'000	Country	Currency	Method	2020/21	2019/20
Kaeline Investment Ltd	Cyprus	USD	Equity	50%	50%
Nordliq A/S	Denmark	DKK	Equity	33%	33%

NOTE 10 — DERIVATIVES

Derivatives are used mainly 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		**2020/21**		2019/20
	Assets	Liabilities	Assets	Liabilities
Commodity swaps	2,336,947	-2,340,188	998,311	-776,064
Commodity futures	392,450	-370,499	703,255	-901,881
Fixed price physical	3,662	0	7,132	0
Commodity options	7,099	-6,940	41,937	-41,292
Interest rate hedge	0	-617	0	-1,917
Forward foreign exchange contracts	0	-10.470	13,509	0
Gross balance	**2,740,158**	**-2,728,714**	**1,764,144**	**-1,721,154**
Balances qualifying for offsetting				
Commodity swaps, -futures and -options	-2,593,401	2,593,401	-1,229,145	1,229,145
Net balance	**146,757**	**-135,313**	**534,999**	**-492,009**
Margin deposits	-75,228	18,355	-239,883	390,910
Amounts presented in the balance sheet	**71,529**	**-116,958**	**295,116**	**-101,099**
Amounts with right to set-off	-22,070	22,070	-51,202	51,202
Net exposure	**49,459**	**-94,888**	**243,914**	**-49,897**

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, 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 counterparty 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 current liabilities if they are expected to be settled within 12 months after the end of the reporting period.

NOTE 10 — DERIVATIVES (CONTINUED)

Fair value hierachy – Financial instruments measured at fair value

Financial instruments measured at fair value comprise of 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.

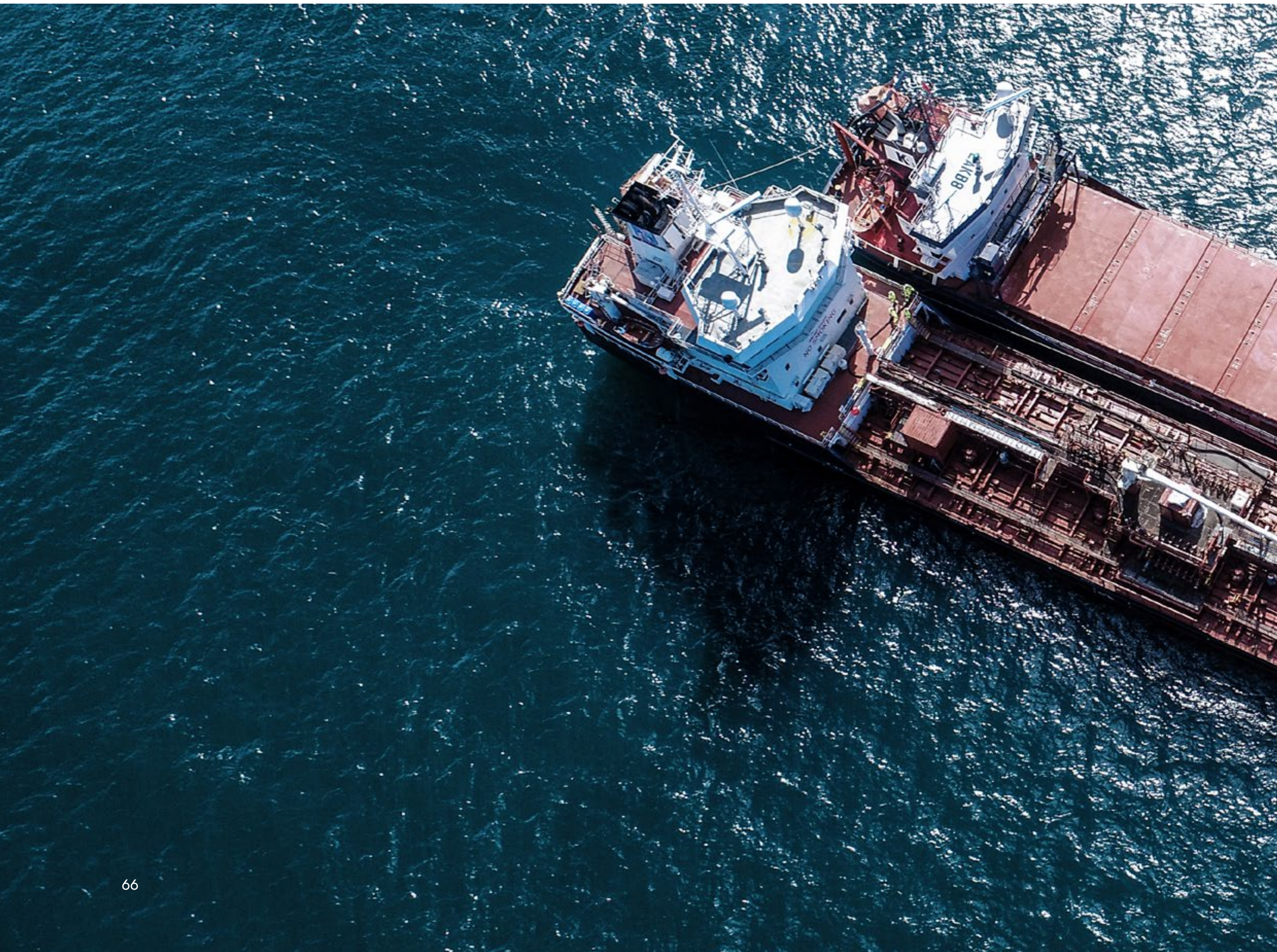
These valuation techniques maximise the use of observable market data where it is avaliable and rely as little as possible on entity specific estimates. If all significant inputs required to calculate the fair value of an instrument are observable, the instrument is included in Level 2.

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

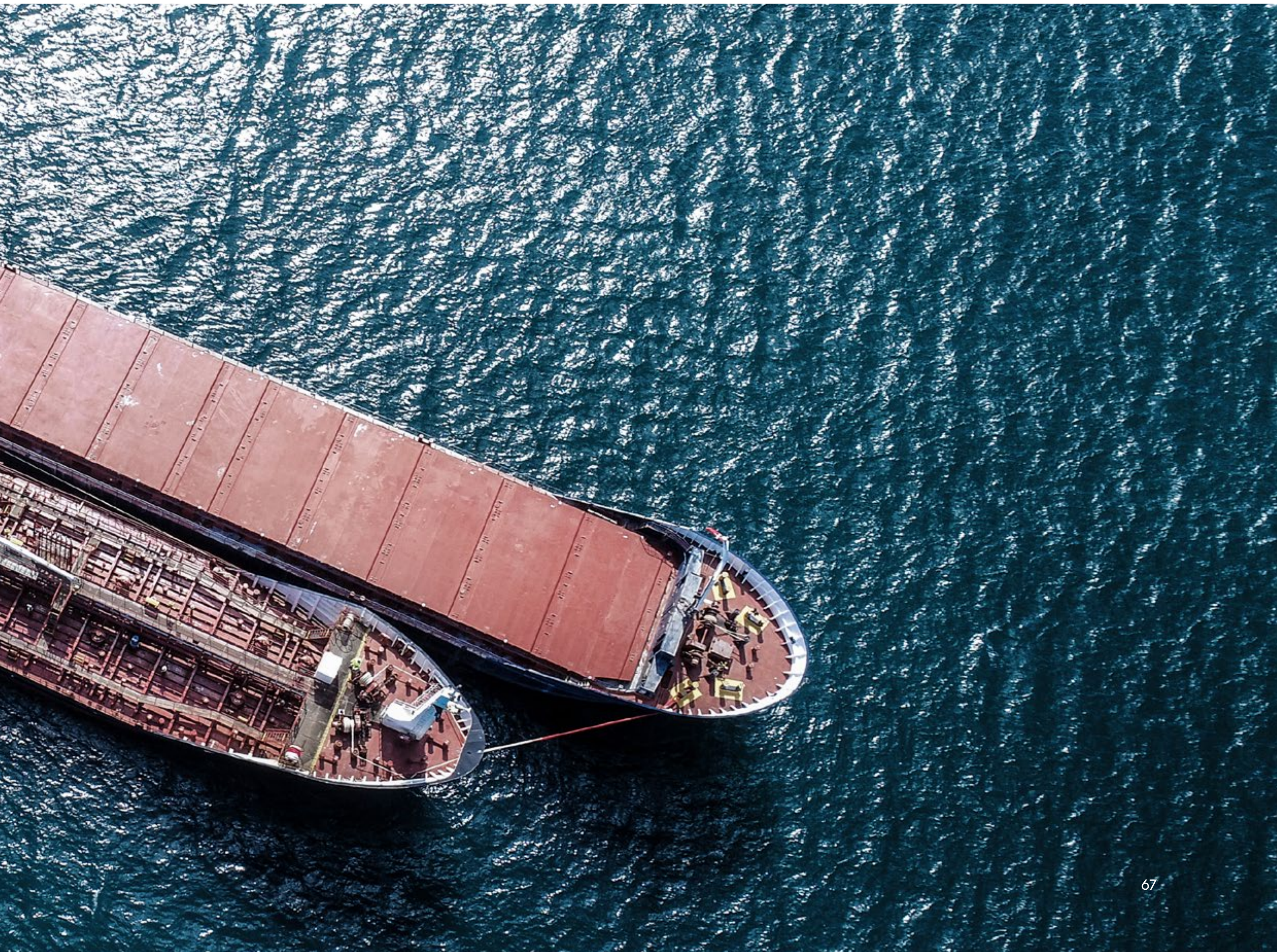
Fair value of listed securities fall within level 1 of the fair value hierarchy. Non-listed shares and other securities fall within level 3 of the fair value hierarchy.

Fair value of derivatives fall 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
2020/21				
Financial assets				
Derivatives	411,436	2,326,097	2,625	2,740,158
Total	**411,436**	**2,326,097**	**2,625**	**2,740,158**
Financial liabilities				
Derivatives	-382,028	-2,346,686	0	-2,728,714
Total	**-382,028**	**-2,346,686**	**0**	**-2,728,714**
2019/20				
Financial assets				
Derivatives	785,313	971,700	7,131	1,764,144
Total	**785,313**	**971,700**	**7,131**	**1,764,144**
Financial liabilities				
Derivatives	-934,054	-787,100	0	-1,721,154
Total	**-934,054**	**-787,100**	**0**	**-1,721,154**



NOTE 11 — FINANCIAL INSTRUMENTS BY CATEGORY

USD'000	Fair value through income statement	Amortised cost
2020/21		
Financial assets		
Trade and other receivables	514	996,544
Derivative financial instruments	71,529	0
Cash and cash equivalents	0	93,200
Total financial assets	**72,043**	**1,089,744**
Financial liabilities		
Trade and other payables	0	-700,439
Borrowings	0	-421,108
Lease liabilties	0	-38,061
Derivative financial instruments	-116,958	0
Total financial liabilities	**-116,958**	**1,159,608**
Total	**-44,915**	**-69,864**
2019/20		
Financial assets		
Trade and other receivables	644	684,040
Derivative financial instruments	295,116	0
Cash and cash equivalents	0	109,048
Total financial assets	**295,760**	**793,088**
Financial liabilities		
Trade and other payables	0	-444,220
Borrowings	0	-344,612
Lease liabilties	0	-31,629
Derivative financial instruments	-101,099	0
Total financial liabilities	**-101,099**	**-820,461**
Total	**194,661**	**-27,373**

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 directly 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 10 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 the credit rating of the company. Where a market price was available, 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 3.0 million (2019/20: USD 3.8 million).

NOTE 12 — 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 to 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 2021.

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 to is estimated to have a negative impact on the Group's EBT by USD 0.2 million (2019/20: negative by USD 0.5 million) and to affect the Group's equity, excluding tax, negatively by USD 0.2 million (2019/20: negatively by USD 0.4 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.

The risk management policy allows to use hedging strategies to mitigate the impact of interest rate risk.

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 5.7 million per annum (2019/20: negatively by USD 3.9 million), as a result of higher interest cost on borrowings.

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

Net interest-bearing debt

USD'000	2020/21	2019/20
Non-current liabilities		
Mortgages	0	-4,110
Bank borrowings	-112,922	-91,037
Current liabilities		
Mortgages	0	-465
Bank borrowings	-308,186	-249,000
Interest-bearing debt	**-421,108**	**-344,612**
Cash and cash equivalents	**93,200**	**109,048**
Net interest-bearing debt	**-327,908**	**-235,564**

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.

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 incurred but not yet 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.

NOTE 12 — FINANCIAL RISKS (CONTINUED)

The ageing of receivables is as follows:

USD'000	Trade receivables	Provision for impairment		Net trade receivables
2020/21				
Receivables not due	759,530	0.2%	-1,519	758,011
Less than 90 days overdue	155,715	0.5%	-779	154,936
More than 90 days overdue	49,041	18.2%	-8,902	40,139
Carrying amount	**964.286**	**1.2%**	**-11,200**	**953,086**
2019/20				
Receivables not due	477,024	0.5%	-2,385	474,639
Less than 90 days overdue	146,891	1.0%	-1,469	145,422
More than 90 days overdue	42,475	20.0%	-8,516	33,959
COVID-19 impairment			-14,600	-14,600
Carrying amount	**666,390**	**4.0%**	**-26,970**	**639,420**

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

USD'000	2020/21	2019/20
Incurred losses	-31,082	-14,661
Movement in expected credit losses	15,770	-11,970
Reversal of previous incurred losses	2,313	2,354
Loss recognised in the income statement	**-12,999**	**-24,277**

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

USD'000	2020/21	2019/20
Provision 1 May	-26,970	-15,000
Movement in provision for impairment	15,770	-11,970
Carrying amount at 30 April	**-11,200**	**-26,970**

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, and 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 2024. 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 2020/21, and neither were they breached in 2019/20.

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 2021 Bunker Holding Group had total unutilised credit facilities of USD 538.8 million (2019/20: USD 783.4 million). Besides the unutilised credit facilities the Group has factoring lines and inventory financing facilities of USD 612.7 million (2019/20: USD 394.2 million).

NOTE 12 — 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
2020/21					
Borrowings	-421,108	-308,186	-112,922	0	-421,108
Lease liabilities	-38,061	-14,219	-24,731	-1,832	-40,782
Payables to related parties	-1,105	-1,105	0	0	-1,105
Trade payables	-643,316	-643,316	0	0	-643,316
Other payables	-56,018	-56,018	0	0	-56,018
Derivatives	-116,958	-116,958	0	0	-116,958
Financial instruments	**-1,276,566**	**-1,139,802**	**-137,653**	**-1,832**	**-1,279,287**
Short-term leases	0	-17,206	0	0	-17,206
Total	**-1,276,566**	**-1,157,008**	**-137,653**	**-1,832**	**-1,296,493**
2019/20					
Borrowings	-344,612	-249,465	-92,844	-2,303	-344,612
Lease liabilities	-31,629	-10,590	-23,042	-1,238	-34,871
Payables to related parties	-236	-236	0	0	-236
Trade payables	-380,834	-380,834	0	0	-380,834
Other payables	-63,150	-63,150	0	0	-63,150
Derivatives	-101,099	-98,157	-2,942	0	-101,099
Financial instruments	**-921,560**	**-802,432**	**-118,828**	**-3,541**	**-924,801**
Short-term leases	0	-17,853	0	0	-17,853
Total	**-921,560**	**-820,285**	**-118,828**	**-3,541**	**-942,654**

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 0.5 million and USD 0.1 million for 2020/21 and 2019/20.

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 2023.

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 2021 and 2020, 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.

NOTE 12 — FINANCIAL RISKS (CONTINUED)

Oil price risk (continued)
The effects of applying hedge accounting on the company's financial position and performance are as follows:

	2020/21	2019/20
Oil futures and swaps hedging future sales of oil		
Notional amount (MT)	23,042	105,641
Carrying amount, assets (USD'000)	3,467	0
Carrying amount, liabilities (USD'000)	-185	3,630
Maturity dates	May '21-Dec '21	May '20-Dec '21
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD'000)	6,913	0
Change in value of hedged item used to determine hedge effectiveness (USD'000)	6,913	0
Weighted average hedge price per metric tonne including forward points (USD)	391.30	271.11

The carrying amount of USD 6.9 million (2019/20: USD 0.0 million) has been netted with carrying amount of the oil futures and swaps hedging futures purchase of oil. Net carrying amount is USD 7.0 million (2019/20: USD 0.0 million).

	2020/21	2019/20
Oil futures and swaps hedging future purchases of oil		
Notional amount (MT)	2,400	-9,588
Carrying amount, assets (USD'000)	110	0
Carrying amount, liabilities (USD'000)	0	12
Maturity dates	May '21	May '20
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD'000)	123	-12
Change in value of hedged item used to determine hedge effectiveness (USD'000)	123	-12
Weighted average hedge price per metric tonne including forward points (USD)	487.75	235.45

The carrying amount of USD 0.1 million (2019/20: USD 0.0 million) has been netted with carrying amount of the oil futures and swaps hedging futures sales of oil. Net carrying amount is USD 7.0 million (2019/20: USD 0.0 million)

	2020/21	2019/20
Oil futures and swaps hedging inventory		
Notional amount (MT)	-384	-292,532
Carrying amount, assets (USD'000)	175	15,129
Carrying amount, liabilities (USD'000)	-14,663	0
Maturity dates	May'21 -Dec '23	May'20 -Dec '23
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD'000)	-32,286	15,128
Change in value of hedged item used to determine hedge effectiveness (USD'000)	-32,286	15,128
Weighted average hedge price per metric tonne including forward points (USD)	435.58	288.47

NOTE 12 — FINANCIAL RISKS (CONTINUED)

Hedging reserve

USD'000	2020/21	2019/20
Cash flow hedging reserve		
Fair value 1 May	-11,378	-132
Fair value changes deferred for the year	3,780	-16,941
Reclassified to sales	5,660	5,623
Reclassified to costs of goods sold	1,155	72
Fair value 30 April	**-783**	**-11,378**
Cost of hedging reserve		
Fair value 1 May	-13,717	2,013
Fair value changes deferred for the year	28,173	-13,691
Reclassified to sales	0	0
Reclassified to costs of goods sold	-5,379	-2,039
Fair value 30 April	**9,077**	**-13,717**
Total of hedging reserve		
Fair value 1 May	-25,095	1,881
Fair value changes deferred for the year	31,953	-30,632
Reclassified to sales	5,660	5,623
Reclassified to costs of goods sold	-4,224	-1,967
Fair value 30 April	**8,294**	**-25,095**

NOTE 13 — 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 shareholder of USD 0 per share. Dividend paid to the shareholder in 2019/20 was USD 1,099 per share – a total of USD 110,000k.

NOTE 14 — UNRECOGNISED ITEMS

Assets pledged as security

USD'000	2020/21	2019/20
Security		
Carrying amount of land and buildings provided as security for debt to mortgage credit institutes	**0**	**13,906**

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.

Bunker Holding Group is involved in a legal dispute where the State Prosecutor for Serious Economic and International Crime in Denmark (SØIK) has filed an indictment related to a potential sanction breach. Bunker Holding Group expect to be fully acquitted.

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 leases various offices, vehicles, barges and storage facilities under non-cancellable operating leases expiring within three months to nine years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Bunker Holding recongnize right-of-use assets for leases, except for short term and low-value leases.

USD'000	2020/21	2019/20
Within one year	-17,206	-17,853
Between one and five years	0	0
After five years	0	0
Total Lease	**-17,206**	**-17,853**
Lease expenses in the income statement	**-64,759**	**-41,115**

Capital Commitments
At 30 April 2021 th Group had no material capital commitments (30 April 2020: no material capital commitment).

Events occuring after the reported period
No events have occured since the balance sheet date which could materially affect the Group's financial position.

Subsequently the balance sheet date a dividend of USD 27.5m was declared and distributed to the shareholder.

NOTE 15 — OTHER INFORMATION

Fees to auditors

USD'000	2020/21	2019/20
PricewaterhouseCoopers		
Audit	905	866
Assurance engagements	9	1
Tax services	390	312
Other services	125	503
Other		
Audit	225	279
Assurance engagements	18	24
Tax services	467	577
Other services	241	296
Total fee for the year	**2,380**	**2,858**

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 SelfGenerations T 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 (2019/20: 2). The Group's share of associates' profit for the year amounted to USD 2.1 million (2019/20: USD 2.0 million). The carrying amount of the investment was USD 9.4 million at 30 April 2021 (30 April 2020: USD 7.3 million)

NOTE 15 — OTHER INFORMATION (CONTINUED)

Transactions with related parties
The following transactions occurred with related parties:

USD'000	Parent company	Sister companies	Associated companies	Key management
2020/21				
Income statement				
Revenue	0	36,865	3,687	0
Operation costs	0	-8,603	-1,677	0
Other external expenses	-2,719	-3,104	69	-5,413*
Financial, net	0	0	235	0
Assets				
Trade receivables	129	9,823	264	0
Loan deposits	0	0	9,588	0
Liabilities				
Trade payables	-309	-589	-207	0
Dividend paid	-110,000	0	0	0
2019/20				
Income statement				
Revenue	0	43,729	6,290	0
Operation costs	0	-9,992	-1,603	0
Other external expenses	-3,202	-2,767	0	-9,480*
Financial, net	0	0	498	0
Assets				
Trade receivables	9	993	487	0
Loan deposits	0	0	8,748	0
Liabilities				
Trade payables	-27	-177	-59	0
Dividend paid	-62,517	0	0	0

** Comprises of remuneration*

NOTE 16 — 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 of 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 rates in the first five years, EBIT-margin and growth expectations for the following years.

As the risk associated with cash flows are 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 reflect 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 include 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 are 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 17 — SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation
The Consolidated financial statements for 2020/21 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 24 June 2021 considered and adopted the annual report for 2020/21, which will be presented for adoption by the shareholders at the Company's Annual General Meeting on 24 June 2021.

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 for all 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.

Rights-of-use asset
The Group recognizes a right-of-use asset and a lease liability at the commencement date for contracts conveying the right to control the use of an identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives,
- any initial direct costs incurred by the lessee,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

Contracts with a duration of one year and contracts where the underlying value of the individual assets is low is not capitalised.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments exclude variable elements which are dependent on external factors such as e.g. sale volume in the point of sale leased. Variable lease payments not included in the initial measurement of the lease liability are recognized directly in the profit and loss.

The lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease contract.

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.

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.

NOTE 17 — SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 are 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 3-7 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.

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.

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, 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

NOTE 17 — SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

accounting. The contracts entered into as of 30 April 2021 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 in regard to 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 operating movements, net interests, changes in working capital and income taxes paid.

Cash flows from investing activities comprise of 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 of 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.

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

Definition of financial ratios

Gross margin	=	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Return on equity	=	$\frac{\text{EAT x 100}}{\text{Average equity}}$
Current ratio	=	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Solvency ratio	=	$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$
Number of employees	=	Employees and rented crew on vessels reported as annualised numbers

Standards and interpretations not yet applied
IASB has issued the following new or amended standards which are not yet effective, and which are relevant for the Group:

1. Amendments to IFRS 9, IAS 39 and IFRS 7, Interest rate Benchmark Reform Phase 2 effective 1 May 2021 for the Group

2. Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current, effective 1 May 2023 for the Group

3. Amendment to IAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts, Cost of fulfilling a contract, effective 1 May 2022 for the Group

4. Annual improvements 2018-2020 comprising minor amendments to existing standards, effective 1 May 2022 for the Group

5. Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 May 2023 for the Group

6. Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 May 2023 for the Group

7. Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 May 2023 for the Group

The amendments are not expected to have any significant impact on the Group's accounting policies.

PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

USD'000	Note	2020/21	2019/20
Other operating income		40,925	45,934
Other external expenses		-25,696	-29,812
Staff costs	18	-26,364	-36,003
Depreciation and amortisation	19	-907	-1,062
Earnings before interest and tax (EBIT)		**-12,042**	**-20,943**
Profit from investments in group enterprises and associates		64,292	144,118
Financial income	20	11,602	27,982
Financial expenses	21	-14,406	-31,873
Earnings before tax (EBT)		**49,446**	**119,284**
Corporation tax	22	3,324	5,271
Earnings after tax (EAT)		**52,770**	**124,555**

BALANCE SHEET AT 30 APRIL

USD'000	Note	2020/21	2019/20
Software		11,883	7,166
Intangible assets	24	**11,883**	**7,166**
Fixtures and fittings, tools and equipment		607	429
Property, plant and equipment	25	**607**	**429**
Investments in subsidiaries		357,423	366,538
Investments in associates		9,442	7,317
Fixed asset investments	26	**366,865**	**373,855**
Fixed assets		**379,355**	**381,450**
Trade receivables		41	4
Receivables from group enterprises		604,050	663,271
Receivables from associates		9,588	8,789
Prepayments		5,576	7,127
Other receivables	27	1,740	1,911
Dividends receivable		0	425
Corporation tax		9,971	6,898
Receivables		**630,966**	**688,425**
Cash at bank and in hand		**18**	**50,536**
Current assets		**630,984**	**738,961**
Assets		**1,010,339**	**1,120,411**
Share capital		1,781	1,781
Reserve for net revaluation under the equity method		105,807	126,091
Other reserves		11,883	7,166
Retained earnings		216,853	223,905
Equity	28	**336,324**	**358,943**
Deferred tax	29	2,616	1,614
Provisions		**2,616**	**1,614**
Credit Institutions		0	3,135
Long-term debt		**0**	**3,135**
Credit institutions		409,507	249,000
Trade payables		2,353	1,774
Payables to group enterprises		240,629	476,290
Other payables		18,910	29,656
Short-term debt		**671,399**	**756,719**
Total debt		**671,399**	**759,854**
Liabilities and equity		**1,010,339**	**1,120,411**

Proposed distribution of profit	23
Guarantees, securities and contingent liabilities	30
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STATEMENT OF CHANGES IN EQUITY

USD'000	Share capital	Reserve under the equity method	Other reserves	Retained earnings	**Total equity**
2020/21					
Equity at 1 May	1,781	126,091	7,166	223,905	358,943
Dividend paid	0	0	0	-110,000	-110,000
Earnings after tax (EAT) for the year	0	-44,520	4,717	92,573	52,770
Fair value adjustment of derivative financial instruments	0	0	0	435	435
Other adjustments	0	34,181	0	-5	34,176
Equity at 30 April	**1,781**	**115,752**	**11,883**	**206,908**	**336,324**
2019/20					
Equity at 1 May	1,781	72,397	4,253	242,905	321,336
Dividend paid	0	0	0	-62,517	-62,517
Earnings after tax (EAT) for the year	0	76,533	2,913	45,109	124,555
Fair value adjustment of derivative financial instruments	0	0	0	-1,226	-1,226
Other adjustments	0	-22,839	0	-366	-23,205
Equity at 30 April	**1,781**	**126,091**	**7,166**	**223,905**	**358,943**

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NOTE 18 — STAFF COSTS

USD'000	2020/21	2019/20
Wages and salaries	-24,547	-34,670
Pensions	-1,588	-1,049
Other social security expenses	-229	-284
Total	**-26,364**	**-36,003**
Number of employees	**159**	**142**
Remuneration to the Executive Management	**-5,017**	**-9,109**
Remuneration to the Board of Directors	**-395**	**-371**

NOTE 19 — DEPRECIATION AND AMORTISATION

USD'000	2020/21	2019/20
Software	-587	-580
Fixtures and fittings, tools and equipment	-316	-286
Leasehold improvements	-4	0
Impairment losses	0	-196
Total	**-907**	**-1,062**

NOTE 20 — FINANCIAL INCOME

USD'000	2020/21	2019/20
Interest group enterprises	10,812	26,511
Interest associates	235	498
Interest other	555	973
Total	**11,602**	**27,982**

NOTE 21 — FINANCIAL EXPENSES

USD'000	2020/21	2019/20
Interest group enterprises	-1,847	-7,798
Interest other	-12,559	-24,075
Total	**-14,406**	**-31,873**

NOTE 22 — TAXES

USD'000	2020/21	2019/20
Current tax for the year	4,365	5,904
Tax concerning previous years	-39	-37
Deferred tax	-1,002	-596
Total tax for the year	**3,324**	**5,271**
Which is specified as follows:		
Tax on profit for the year	4,239	6,242
Tax concerning previous years	-39	-37
Deferred tax	-1,002	-596
Tax on equity transactions	126	-338
Total tax for the year	**3,324**	**5,271**

NOTE 23 — PROPOSED DISTRIBUTION OF PROFIT

USD'000	2020/21	2019/20
Extraordinary dividend	-110,000	-62,517
Reserve for net revaluation under the equity method	-44,520	76,533
Other reserves	4,717	2,913
Retained earnings	202,573	107,626
Earnings after tax (EAT)	**52,770**	**124,555**

Extraordinary dividend distrubuted after the end of the financial year USD 27,500k.

NOTE 24 — INTANGIBLE ASSETS

USD'000	IT development and software
2020/21	
Cost at 1 May	8,616
Additions	5,304
Cost at 30 April	**13,920**
Amortisation at 1 May	-1,450
Amortisation	-587
Amortisation at 30 April	**-2,037**
Carrying amount at 30 April	**11,883**
2019/20	
Cost at 1 May	4,927
Additions	3,846
Disposals	-157
Cost at 30 April	**8,616**
Amortisation at 1 May	-674
Amortisation	-580
Impairment losses	-196
Amortisation at 30 April	**-1,450**
Carrying amount at 30 April	**7,166**

NOTE 25 — PROPERTY, PLANT AND EQUIPMENT

USD'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
2020/21			
Cost at 1 May	961	0	961
Additions	327	171	498
Cost at 30 April	**1,288**	**171**	**1,459**
Depreciation at 1 May	-532	0	-532
Depreciation	-316	-4	-320
Depreciation at 30 April	**-848**	**-4**	**-852**
Carrying amount at 30 April	**440**	**167**	**607**
2019/20			
Cost at 1 May	910	0	910
Additions	51	0	51
Cost at 30 April	**961**	**0**	**961**
Depreciation at 1 May	-246	0	-246
Depreciation	-286	0	-286
Depreciation at 30 April	**-532**	**0**	**-532**
Carrying amount at 30 April	**429**	**0**	**429**

NOTE 26 — INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

USD'000	Investments in subsidiaries	Investments in associates
Cost at 1 May	230,502	1,886
Additions	14,944	0
Disposals	-3,775	0
Cost at 30 April	**241,671**	**1,886**
Value adjustments at 1 May	136,036	5,431
Exchange rate adjustment	611	0
Disposals for the year	-667	0
Share of profit for the year	95,737	2,125
Dividend	-115,965	0
Value adjustments at 30 April	**115,752**	**7,556**
Carrying amount at 30 April	**357,423**	**9,442**
Positive differences arising on initial measurement of subsidiaries at net asset value	**0**	**0**

NOTE 26 — 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.	Brazil	100%
Nova Offshore Navegacao Ltda.	Brazil	100%
Amoil International Ltd.	British Virgin Islands	100%
South African Bunkering & Trading Ltd.	British Virgin Islands	100%
Glander International Bunkering (Montreal) Ltd.	Canada	100%
KPI OceanConnect Limited	Cayman Island	100%
Dan-Bunkering (Chile) SPA	Chile	100%
BMS United Bunkers Ltd.	Cyprus	100%
Bunkernet Ltd.	Cyprus	100%
Kaeline Investment Ltd.	Cyprus	50%
A/S Dan-Bunkering Ltd.	Denmark	100%
BMS United Bunkers S.A. ApS	Denmark	100%
KPI OceanConnect 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%
USTC Administration ApS	Denmark	100%
Nordliq A/S	Denmark	33%
Bunker One (Germany) GmbH	Germany	100%
KPI OceanConnect GmbH	Germany	100%
Dan-Bunkering Middle East DMCC	Dubai	100%
Glander International Bunkering DMCC	Dubai	100%
KPI OceanConnect DMCC	Dubai	100%
PSTV Energy DMCC	Dubai	100%
PSTV Energy FZE	Dubai	100%
KPI OceanConnect Athens IKE	Greece	100%
BMS United Bunkers (Asia) Limited	Hong Kong	100%
KPI OceanConnect HK Ltd.	Hong Kong	100%
Glander International Bunkering (India) Pvt Ltd.	India	100%
PT. KPI OceanConnect Jakarta	Indonesia	100%

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 OceanConnect BV	Netherland	100%
Offshore Bunkering BV	Netherland	100%
Glander International Bunkering (Norway) AS	Norway	100%
Bunker One (Gulf of Mexico) S.A.	Panama	100%
KPI OceanConnect LCC	Qatar	100%
BH Shared Service Center Pte. Ltd.	Singapore	100%
Bunker One (Singapore) Pte. Ltd.	Singapore	100%
Dan-Bunkering (Singapore) Pte. Ltd.	Singapore	100%
KPI OceanConnect 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%
Suppleo Taiwan Ltd.	Taiwan	100%
KPI Bridge Oil Denizclllk ve Ticaret Ltd. Sti.	Turkey	100%
Bunker One (London) Ltd.	UK	100%
Bunker One (UK) Ltd.	UK	100%
KPI OcanConnect London Ltd.	UK	100%
Reniden S.A	Uruguay	100%
Dan-Bunkering (America) Inc.	USA	100%
Synergy Supply & Trading LLC	USA	100%
KPI OceanConnect 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%

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

NOTE 27 — OTHER RECEIVABLES

The item other receivables include adjustment of derivative financial instruments to fair value by net USD 393k.
Stated on a gross basis, the asset amounts to USD 11,133k and the liability USD 10,740k.

USD 10,808k of the gross payables relates to group enterprises.

NOTE 28 — 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 29 — DEFERRED TAX

USD'000	2020/21	2019/20
Deferred tax at 1 May	-1,614	-1,018
Change for the year	-1,002	-596
Total tax for the year	**-2,616**	**-1,614**

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

NOTE 30 — GUARANTEES, SECURITIES AND CONTINGENT LIABILITIES

USD'000	2020/21	2019/20
Guarantees		
The Parent Company has issued a guarantee for the liabilities of the subsidiaries	1,214,415	1,037,466
At the balance sheet date, the following has been applied of the guarantee commitment	504,529	189,891
At the balance sheet date, no other guarantees or security has been provided		
Lease and rent obligations		
Lease and rent obligations	1,097	816
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.		
Bunker Holding A/S is involved in a legal dispute where the State Prosecutor for Serious Economic and International Crime in Denmark (SØIK) has filed an indictment related to a potential sanction breach. Bunker Holding A/S expect to be fully acquitted.		

NOTE 31 — 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 SelfGenerations T ApS, in which Torben Østergaard-Nielsen, CEO, exercises control.

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

NOTE 32 — FEES TO AUDITORS

USD'000	**2020/21**	2019/20
PricewaterhouseCoopers		
Audit	79	79
Tax services	2	4
Other services	2	452
Total fees for the year	**83**	**535**

NOTE 33 — ACCOUNTING POLICIES

Basis of Preparation
The Annual Report of Bunker Holding A/S for 2020/21 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 2020 – 30 April 2021.

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 2021 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, 24 June 2021

EXECUTIVE BOARD

Keld Rosenbæk Demant
CEO

Michael Krabbe
CFO

Christoffer Berg Lassen
CCO

BOARD OF DIRECTORS

Torben Østergaard-Nielsen
Chairman

Morten Hultberg Buchgreitz

Peter Frederiksen

Klaus Nyborg
Deputy Chairman

Peter Appel

Torben Janholt

Nina Østergaard Borris

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 2021 and of the results of the Group's operations and cash flows for the financial year 1 May 2020 to 30 April 2021 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 2021 and of the results of the Parent Company's operations for the financial year 1 May 2020 to 30 April 2021 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 2020 to 30 April 2021, 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, 24 June 2021
PricewaterhouseCoopers
Statsautoriseret
Revisionspartnerselskab
CVR No 33 77 12 31

Gert Fisker Tomczyk
State Authorised Public
Accountant
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Henrik Forthoft Lind
State Authorised Public
Accountant
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Bunker Holding Group

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