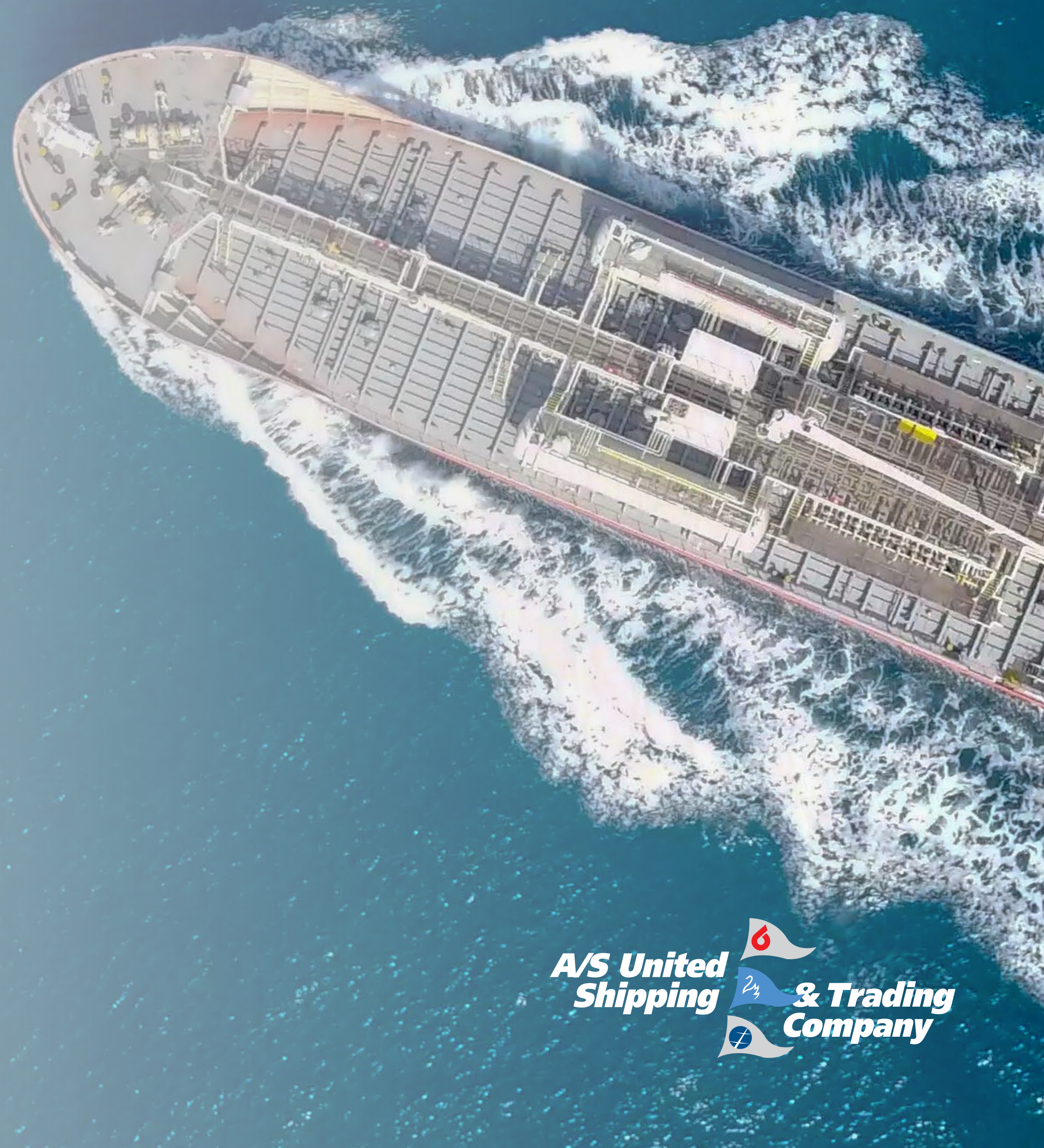
The Annual Report was presented and adopted at the
Annual General Meeting on 28 June 2019

Chairman of the meeting, Michael Keldsen

Financial year: 1 May 2018 – 30 April 2019
Turbinevej 10, DK-5500 Middelfart, company reg. no. 76 95 00 16

2018 ANNUAL REPORT 2019



A/S United Shipping & Trading Company

USTC head office

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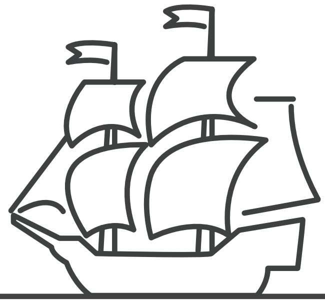
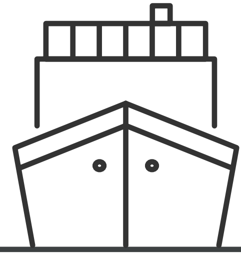
INTRODUCING USTC

USTC is represented in **32** countries …and counting

95 offices worldwide covering 6 continents

More than **50** nationalities are represented among our staff of **1775** worldwide





1876

Our history dates back to 1876. We are constantly evolving our group but proud and humble about our long history in the shipping business

Shipping and logistics

SINCE 1876

Sale and mediation of bunkers

SINCE 1981

Ship owning

SINCE 1995

IT services

SINCE 2003

KEY FIGURES AND FINANCIAL RATIOS

FIVE-YEAR DEVELOPMENT

DKK mill	2018/19	2017/18	2016/17	2015/16	2014/15
INCOME STATEMENT					
Revenue	71,616	53,588	46,051	40,100	51,983
Profit before financial income and expenses	541	356	273	570	517
Net financials	(208)	(98)	(86)	(92)	24*
Profit before tax	343	262	195	487	547*
Net profit for the year	236	203	147	413	421*
BALANCE SHEET					
Balance sheet total	12,371	10,035	9,369	7,269	8,068
Equity	2,608	2,239	2,470	2,471	2,194
CASH FLOWS					
Cash flows from:					
- operating activities	(310)	1,200	(658)	464	535
- investing activities	(200)	(348)	(210)	(261)	(157)
hereof investment in property, plant and equipment and intangible assets	(171)	(225)	(123)	(131)	(133)
- financing activities	734	(360)	(299)	(518)	263
Change in cash and cash equivalents for the year	224	492	(1,166)	(316)	640
RATIOS (%)					
Gross margin	3.9%	4.0%	4.6%	5.6%	3.9%
Profit margin	0.8%	0.7%	0.6%	1.4%	1.0%
Return on equity	9.7%	8.6%	5.9%	17.7%	22.5%
Liquidity ratio	1.28	1.19	1.28	1.46	1.44
Solvency ratio	21.1%	22.3%	26.4%	34.0%	27.2%
Number of employees	1,761	1,649	1,575	1,488	1,376

For definitions, see notes.

** Includes a non-recurring financial income of DKK 80 mill before tax (DKK 65 mill after tax) from a legal case.*

PREPARING THE NEXT GENERATION

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

THE FAMILY EXECUTES AN OWNERSHIP STRATEGY THAT WILL PROVIDE A SOLID FOUNDATION FOR FUTURE GENERATIONS

In a successful global company where pride of being an industry leader is tempered by a genuine sense of humility, it seems perfectly appropriate that USTC can trace its history back to local and modest roots.

In 1876, Julius Mortensen Shipping was founded in Fredericia, a small town on the coast of the narrow Danish strait of Lillebælt. A century later, no one took much notice when the company acquired a shipbroker in Middelfart, a town on the opposite side of the strait. It did not at all seem likely that this seemingly insignificant merger between two small, local companies would blossom into a global leader in the shipping industry.

That meteoric journey started when Torben Østergaard-Nielsen was appointed managing director of the small shipbroker in Middelfart. He soon realised that there was potential in the market for an independent bunker trading company and became one of a small group of pioneers who transformed the way the world's shipping companies buy bunkers.

For the first few years, the fledgling bunker company only served local waters, but it soon began to expand internationally. Eventually Torben Østergaard-Nielsen took over the full ownership and transformed it into one of the world's leading bunker companies.

Stronger than ever after 143 years

Over the years, the USTC Group grew to include many other activities than just bunkering as Torben Østergaard-Nielsen, amongst other activities, founded the shipowning company Uni-Tankers in 1995 and added the IT activities – today known as Unit IT – in 2003.

The shipping and logistics activities, in the company originally known as Julius Morten Shipping, are still an important part of the USTC Group – although today known as SDK after a rebranding in 2018.

After 143 years, the genesis of USTC is still going strong and reinventing itself for the 21st century. With the original pioneering spirit still a very active force, the list of activities is certain to increase.

Bunker Holding is the largest company in USTC. Amongst the world's leading bunker companies, it is one of the few that remains under private ownership by its founder.

Torben Østergaard-Nielsen or TØN, as he is affectionately known, is still a very active presence. His values are imbedded into every corner of the group. They have bestowed USTC with a compelling history and a strong culture. Around the world, 1,775 employees feel that they are connected to something that is bigger, more important and more valuable than the average publicly traded company.

Preparing the next generation

This sense of a shared purpose will never change. Torben intends to remain active for many years to come, and when he eventually does decide to retire, the next generation of the family stands ready to maintain and strengthen their ownership of USTC Group.

This next generation is his daughters, Nina and Mia. Already, they are both actively involved in the company and getting hands-on experience. Nina has a management position with Bunker Holding and serves as a director on several boards, while Mia is a member of the Board of Directors at Bunker Holding. Both daughters are also active in the Selfinvest Family Office, which is where the family's active ownership of the USTC Group is rooted.

From here, the family executes an ownership strategy that will provide a solid foundation for future generations. They intend for the group to be led by able and experienced management teams but guided by active, knowledgeable and visionary owners who ensure that their shared values continue to pervade the company.

The Selfinvest Family Office rests on rock-solid financial foundations, and continually shows its prowess at safeguarding and growing its fortune. Part of it is maintained in very liquid assets, ready to embrace any opportunity and answer any challenge at a moment's notice. Indeed, over the years the owner has demonstrated his willingness to support his companies when the need arises.

A relentless pursuit of excellence

This sense of obligation and moral duty is deeply ingrained in the family. Both daughters are keenly aware of the great responsibility associated with taking over the reins of a global company. They are proud that the family has created an industry leader in several fields, but they also stand humble in front of the task that awaits. Under their stewardship, as under their father's, USTC will be focused on achieving every goal through a relentless focus on excellence and thoroughness.

MANAGEMENT'S REVIEW

ACTIVITIES

The Group has activities within four segments:

- Bunkers
- Ship owning
- Shipping and Logistics
- IT services

The main object of USTC as the Parent Company is as a holding company to hold shares in the subsidiaries and to contribute to the continued development of these.

Bunkers

Purchase, sale, mediation and supply of bunkers and lubricating oil for ships as well as various naturally related services. The activities in Bunker Holding Group take place on a worldwide basis with customers primarily within the ship owning, shipping and transport industries. Within bunkers, Bunker Holding Group is amongst the world's biggest players in the industry.

Ship owning

The Company – Uni-Tankers – operates a fleet of modern and flexible product and chemical tankers with focus on high security and quality in sizes up to 15,000 dwt. The fleet comprises 17 own ships as well as chartered ships.

At the end of the financial year, the fleet at disposal comprised a total of 36 ships, and the tonnage available under Uni-Tankers' activities totals 292,000 dwt with an average age of 10.0 years, which places the fleet among the youngest in Uni-Tankers' core markets.

Shipping and Logistics

Main activities of the Company – SDK – include stevedoring and providing warehousing, agency, commercial chartering and liner services, cruise services and logistics (road, air, sea and warehousing). The logistics services are performed on the basis of more than 117,000 m^2 multi harbor terminals in Denmark and Sweden. SDK operates a fleet of coasters and has approximately 450 lorries on the roads daily. Moreover, SDK has a number of offices abroad, primarily in Scandinavia.

IT services

The Group's IT activities – Unit IT – comprise a wide range of high-end services within infrastructure and hosting including cloud-based solutions, operation of complex and international software solutions as well as Business Intelligence competencies and Microsoft SQL competencies for operation and optimization of database performance.

DEVELOPMENT IN THE YEAR

The USTC Group achieved revenue of DKK 71,616 million and a profit before tax of DKK 343 million corresponding to a 31% growth compared to last year. At the end of the year, equity amounted to DKK 2,608 million equalling a solvency ratio of 21.1%.

Compared to last year, both revenue and gross profit of the year show an increase of more than 30%, which is driven from increased revenues in both Bunkers as well as the Shipping and Logistics segment. The growth in revenues is caused by a combination of increasing oil prices and higher volume traded in the Bunkers segment and growth in the Shipping and Logistics segment. In total, the revenue of Bunkers has outperformed last financial year with 35%, hereof a 3% increase due to a higher USD rate. The Shipping and Logistics segment has shown a growth in revenue of DKK 465 million, which is caused by a combination of optimisation of the existing business areas combined with acquisitions with a strategic fit.

The improved profit after tax has primarily been anchored in Bunkers, where the activities have been able to more than double the performance from last year. Shipping and Logistics and IT activities have also improved their results with a strong focus on the integration of their acquisitions. Ship owning activities have experienced a financial year struggling with numerous challenging market conditions and a DKK 143 million write-down on vessels. The write-down is a sound action to ensure a solid net book value of the fleet but at the same time the main reason for the USTC Group not having a financial year with profit before tax results at an all time high level.

Through the last financial year, the USTC Group has underlined its unique solid and strong financial position with a solvency ratio at +20% despite an increased oil price of 25%. The Group's funding is based on solid agreements with its banks by which the Group has had a close relation for many years.

The profit for the year is in line with the expected performance ahead of the financial year. In light of the challenging conditions within the Bunkers segments as well as the turbulent market situation in the Ship owning segment, the result is considered satisfying.

PROFIT BEFORE TAX

343 DKK MILL

+31%*

RETURN ON EQUITY

9.7%

+13%*

NUMBER OF EMPLOYEES

1,761

+7%*

EARNINGS PER EMPLOYEE

195 DKK '000

+22%*

Bunkers

The Bunkers segment – Bunker Holding Group – achieved revenue of DKK 68,702 million and a profit before financial items of DKK 635 million.

Bunker Holding Group recorded a volume growth of 5.5% and has been able to gain market share during the year.

The bunker industry experienced turmoil during the year where competitors were seen in financial difficulties. This has not been the case for Bunker Holding Group that came out with not only a significant improvement over the year before but also one of the best results ever.

Simultaneously with challenges in the bunker industry the segment has seen a 25% increase in the average oil price for the year. The increased level in prices has put additional pressure on the bunker industry in general. However, the USTC Group's bunker business demonstrated its strength and agility through a strong performance in a challenging market.

A positive characteristic of the year has been that Bunker Holding Group's three divisions; bunker trading, risk management and physical operation all have contributed positively to the result meaning that the satisfactory financial performance is broadly anchored.

A strong and continuous access to capital is essential for a working capital-intensive business like bunkering. In April 2019, Bunker Holding Group entered a new long-term unsecured credit facility of USD 1,000 million with 12 leading global and regional banks.

This is one of the largest corporate credit facilities to date in the industry and it will support Bunker Holding Group's continued growth. The three-year credit facility includes a funding capacity of up to USD 2.5 billion and an option to extend up to 5 years.

*Compared with 2017/18

This along with a positive start of the new year and a solid execution of the strategic initiatives causes expectations of a strong result for the financial year 2019/20.

Ship owning

After improved activity levels and Time Charter Equivalent (TCE) earnings in 2017/18, Uni-Tankers has faced a very difficult, turbulent market situation in 2018/19, characterised by low prices on the spot market, low-to-moderate overall activity, high bunkering prices, and market overcapacity, along with fierce competition stemming from these difficult trading conditions.

Revenue fell by 6% and the net result for the 2018/19 financial year is a loss of DKK 188 million, including a DKK 143 million write-down on vessels, made in connection with the impairment test at the end of the financial year. The net book value of the vessels is now adjusted to reflect current international rates and the expectations associated with IMO 2020.

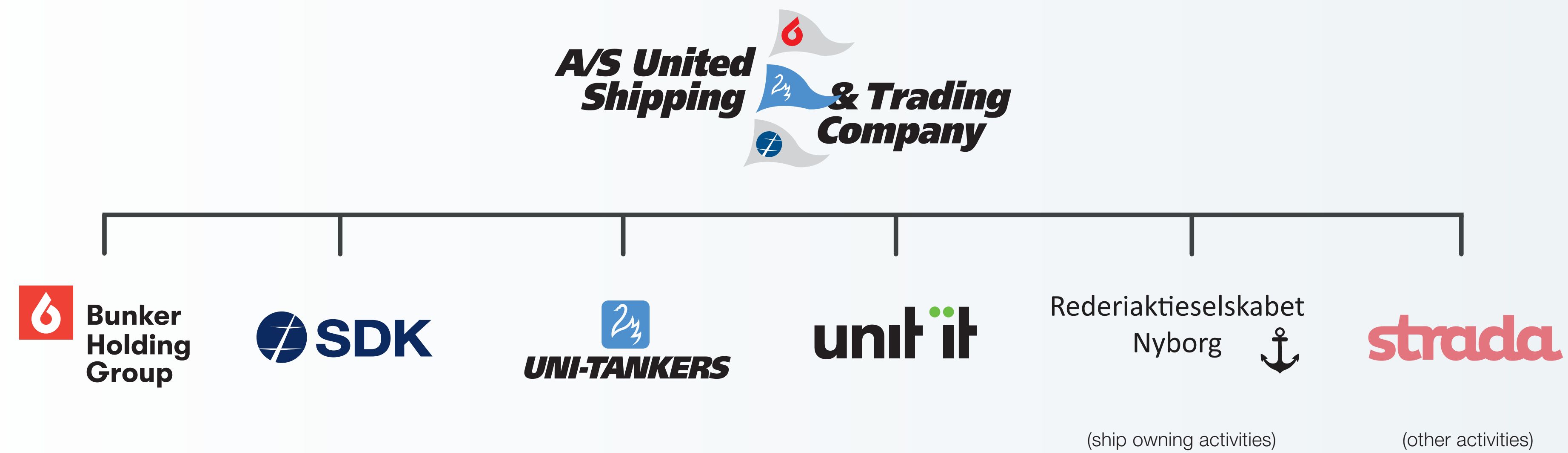
The 2018/19 result is disappointing and below expectations prior to the beginning of the year.

Uni-Tankers is still engaged in an ongoing strategic transformation, designed to make it easier and more profitable to conduct operations in markets subject to very difficult, turbulent conditions, featuring high costs, low prices and fierce competition. This makes business very unpredictable, and margins are extremely tight. The Company anticipates that this state of affairs is very likely to continue for the foreseeable future.

To provide the strongest possible basis for Uni-Tankers' continued development and for implementing the strategic goals, Uni-Tankers underwent significant refinancing, completed in April 2019. This involved the injection of new capital from USTC as the Parent Company as well as a new, long-term financing plan.

This refinancing also meant that Uni-Tankers is once again wholly owned by USTC, after a transitioning period in which Danske Bank was a co-owner.

The structural imbalance in Uni-Tankers' core markets now seems to be decreasing, as the supply of newbuild tonnage is limited. Trading conditions in the worldwide freight market also improved gradually during the last quarter of the 2018/19 financial year, and Uni-Tankers expects market



conditions for transport of chemicals and oil products to improve further during the 2019/20 financial year.

From the second half of 2019 onwards, the IMO 2020 global low-sulphur regulations are also expected to have a positive impact on the worldwide demand for transporting oil and oil products.

Further positive effects from cost-cutting programmes initiated in 2018 will generate full-year effects in 2019/20.

Uni-Tankers therefore expects a major improvement in the 2019/20 financial results compared to 2018/19, including a small profit.

Shipping and Logistics

The Shipping and Logistics segment – SDK – achieved revenue of DKK 1,470 million and a profit before financial items of DKK 32 million.

Compared to last year, the profit before tax has increased by DKK 2 million corresponding to a 7% increase. The increased profit comes from two sources: organic growth/ optimisation of existing activities and new business (acquisitions).

The growing profitability is considered a result of a continued strong and focused implementation of the strategy together with a very strong performing and motivated staff of employees.

As part of SDK's strategy plan is clear objectives for SDK as a whole and for the individual enterprises of SDK to support growth in activities and earnings.

SDK focuses on organic growth, as well as growth through acquisitions and based on the current market conditions, the result for 2019/20 is expected in a range close to the actual result for 2018/19. The result for 2019/20 is expected to include one-off cost of DKK 6 million.

IT services

The IT services achieved revenue of DKK 109 million and profit before financial items of DKK 11 million. The IT activities improved their revenue through growth in activities and focus on synergies, despite the tough competition in the market.

In 2016, two companies where acquired, and they have also this year complemented the existing business by adding areas such as managed services, operation of software and high-end operation and performance optimisation of databases as well as Business Intelligence competencies. During the year, the three operating companies were merged to one joint company. In connection with this, the IT activities were rebranded under one name: Unit IT.

The expansion of new products has paid off as customers are benefiting from the broader portfolio, which again has resulted in increasing cross sales.

With Unit IT as the new strong and merged company, the IT activities are able to attract larger companies within the Small and Medium business segment. The positive development in the activities is expected to continue in 2019/20. This combined with the acquisition of appropriate companies will put Unit IT in a unique market position also in the years to come.

Strategy and objective

The objective of the USTC Group is, on a continuous basis, to develop its business in line with the customers' wishes and requirements. The USTC Group wants to be known for its high-quality services and deliveries, and trading must comply with the highest Danish and international standards.

The USTC Group focuses on strong organic growth but is ready to enter strategic alliances and make acquisitions when the opportunities arise.

Unit IT data center
(The Group's IT activities)

AMERICAS
16 offices

EUROPE
64 offices

ASIA
15 offices

FINANCIAL AND OPERATIONAL RISKS

Foreign exchange risks

The Group hedges against commercial foreign exchange exposure on a current basis and moreover assesses the need to hedge against foreign exchange exposure of future cash flows. Hedging mainly takes place by means of forward exchange contracts. Future expected cash flows are hedged for a maximum period of the first succeeding 12 months.

Credit risks

The 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 mitigates 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.

Interest rate risks

The Group's interest-bearing debt is mainly based on variable interest rates, and therefore earnings are affected by any changes in the level of interest. The Group monitors and assesses on a current basis the financial consequences of interest rate changes and hedges the interest rate risk if considered adequate.

Oil price risk

The Group's trading activities are back-to-back trading, where sale and purchase are done simultaneously and thus without any open positions. As for the physical activities, the Group possesses stocks but as the oil price is hedged, the Group has almost no exposure to deviations in the oil price. When the Group enters fixed price agreements the oil price exposure from such contracts is also hedged to reduce the price risk.

Trading risks

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

The Group is exposed to the commercial risks that follow from the general freight market fluctuations. The commercial risk for the Group's vessels operated in a time charter equivalent sharing (TCE) pool is considered reduced compared to operating the vessels in the spot market. Focus is on maintaining a healthy balance between spot business and covered business, being by Contracts of Affreightment, time charters etc.

The Group's fleet of 36 vessels consists of 47% own vessel and of 53% time chartered vessels. As the time charter hire is fixed over the charter period, the Group is exposed to the commercial risk of a falling market, as well as other commercial risks. The Group's policy is to balance the risk between short term, medium term and long-term charter hire periods.

EXPECTATIONS FOR THE YEAR AHEAD

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

In the financial year 2019/20, the management expects to strengthen the Group's position within the four segments. Based upon the present market condition and outlook expectations for the year, the earnings are expected to be in line with the 2018/19 result, with the exception of one-off costs in the Ship owning segment.

CSR

CORPORATE SOCIAL RESPONSIBILITY

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

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

Our business model/areas

The USTC Group has activities within four segments:

» Bunkers
» Ship owning
» Shipping and Logistics
» IT services

Please see page 11 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

COMPLIANCE AND QUALITY MANAGEMENT

USTC Group manages its risk responsibly and regards it as an imperative that the Group complies with all applicable rules and legislation in each country in which we operate. We see compliance as legally and ethically impeccable conduct by all employees in their daily work. This includes observing all applicable anti-corruption, anti-trust and international trade sanctions.

Personal data protection is an increasingly important focus area. Legislation and regulations are being rolled out worldwide also in the EU and Denmark to ensure that companies follow ever stricter requirements on protection of personal data.

This has entailed consistent requirements for internal training, preparation of policies and guidelines as well as risk and impact assessments.

POLICIES AND ACTIVITIES

Compliance

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

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

Similarly, the Group has taken steps to ensure that we have the adequate procedures to prevent fraudulent behaviour among individuals within the Group or persons associated with the Group. We ensure that everyone in the company – board members, managers, employees – each possesses a general understanding of relevant applicable laws. Through 2018 and the first quarter of 2019 this has been achieved in relevant subsidiaries through specific programmes on the subjects, including manuals, recurring training, and the staff's mandatory annual completion of compliance e-learning. The Ship owning activities has conducted annual officers' seminars and thereby ensuring key personnel is aware of and compliant with procedures and values.

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

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

Whistle-blower procedure

In our Code of Conduct we encourage all our employees to promptly raise any concern of breach or potential breach of our Code of Conduct, USTC Group policies or the law with USTC subsidiaries' legal department. USTC Group will never retaliate or allow retaliation for concerns raised in good faith.

DIVERSITY, HUMAN RIGHTS AND GENDER COMPOSITION

The industries in which we operate is characterised by a high degree of multiplicity, and so is USTC Group. 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.

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

> In the USTC Group offices across the world, our highly skilled staff – male and female – work together in making the most of their talents.

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, USTC Group is a mirror image of a globalised world. This philosophy is supported by our open-minded, unprejudiced culture which allows each individual employee to make the best possible use of his/her skills. Likewise, USTC Group'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 USTC Group 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

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

The Group celebrates diversity, and we actively seek to be a workplace with a multitude of different cultural backgrounds in our staff composition and at our management levels. By the end of the financial year we employed more than 50 nationalities, and a multitude of different cultural backgrounds, Our youngest employee is only 18 years old – the oldest have turned 71.

Gender composition – Board of Directors

The section below includes USTC 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

USTC Group's Board of Directors is the supreme management board in the company. USTC Group's Board of Directors consists of eight board members. Seven male and one female.

As for now, the percentage of female board members elected by the shareholder's committee is 12.5 %. The target for the female gender is 20% for 2020 and 35% for 2021.

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

Policy for the under-represented gender at other management levels

USTC Group believes in creating an open and inclusive business culture where every employee thrives the best way possible. Talent is more diverse than ever before, and an inclusive work environment is key to innovation, continuous improvement and retention of talent. Every single day we work to provide an atmosphere where all staff members feel included, appreciated and valued.

In 2018/19 we have strived to ensure the under-represented gender is represented on the list of candidates at other management levels. We have seen the first results of our strong recruitment process in the financial year – and work to see even stronger results in 2019/20. Still we reserve the right to select the most qualified candidate irrespective of his or her gender.

WORKPLACE AND SAFETY

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

Physical safety
USTC Group is aware of the risk related to unsafe working conditions and the risk of accidents that may occur due to lack of knowledge and competencies amongst employees.

USTC Group aims to provide safe, reliable and efficient shipping solutions and certify all vessels in accordance with ILO's Maritime Labor Conventions (MLC), in order to ensure the health, safety and working conditions of employees. Moreover, the company strives to comply with all applicable international standards and conventions such as SOLAS, MARPOL and the International Maritime Organization (IMO) regulations.

The Group's employee policies on this matter are elaborated in the Ship owning company's employee handbook.

USTC Group has continued to ensure compliance with the ISM Code via internal audits as well as external audits carried out by the international Classification Society Bureau Veritas. Moreover, the Group has maintained its efforts to develop risk assessments and Tool Box Meetings prior to any new job, in order to ensure the safety of its employees.

In 2018/19, all vessels passed renewal MLC Audits by DNV GL, with zero deficiencies.

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

In the physical bunker business areas 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 and 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.

POLICIES AND ACTIVITIES

People Development Review (PDR)
The annual appraisal campaign in one of our subsidiaries is called PDR, People Development Review. The campaign is a structured process with our HR system as a tool to help plan, facilitate and follow up on personal and professional development. It is there to ensure a higher level of transparency between the Leader and each Employee on personal development plans and career options (short and long term). During 2018 and first quarter of 2019, more than 500 employees and managers across the subsidiary participated in the PDR campaign.

The Accelerator Programme (TAP)
Also, our subsidiary Bunker Holding has started to see the results from its new, ambitious talent programme named The Accelerator Programme (TAP). With this programme we aim at creating and constantly maintaining a strong pipeline of talents that are ready to take on new, exciting opportunities and responsibilities in our Group.

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

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

Also, we will as a Group continue to invest heavily in developing, attracting and attaining the best talents, among other things through our well-established Talent Development Programme described above.

This is key to deliver on our strategic business ambitions going forward.

Internal training
Staff development is a key element in future growth and retention. In the financial year, employees from our global workforce in relevant subsidiaries attended more than 10,000 hours of internal training either locally or internationally. Additionally, employees also participate in e-learning programmes.

ENVIRONMENT AND COMMUNITY ENGAGEMENT

USTC Group is committed to be a socially and environmentally responsible company.

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

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

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

The Group acknowledges the global challenges related to emissions of greenhouse gases. Moreover, the Group is aware of the risks related to the transportation of goods such as high-grade chemicals and refined oil.

USTC Group continuously strive to reduce the environmental impact related to the company's Ship owning operations. USTC Group constantly makes efforts to improve the efficiency of equipment and facilities; furthermore, it is the ambition of the Group to optimise shipping operations by minimising the amounts of voyages as much as possible and focus on effective routes.

The Group aims to ensure safe transportation of environmental hazardous goods via internal audits by ship inspectors, and external audits carried out by customers, flag states and business partners. Additionally, USTC Group ensures safe transportation of goods continuous training of crewmembers in handling of hazardous goods.

In 2018/19, USTC Group has conducted tests in order to reduce fuel consumption, by using a new control system on main engines and propulsion systems. Additionally, the Group has continued to use an external supplier of weather routing, in order to improve efficiency of transportation routes.

In 2018/19, USTC Group has completed 3 installations of new Ballast Water Treatment systems and made initial preparations to do so on more vessels. Moreover, USTC Group has continued throughout the year to apply only high-quality anti-fouling paint thereby minimizing consumptions and emissions.

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.

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

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

» **Dubai Desert Clean Up**
In May we participated in the 2019 Dubai Desert Clean Up to help improve Dubai's natural environment and wildlife.

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

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

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

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

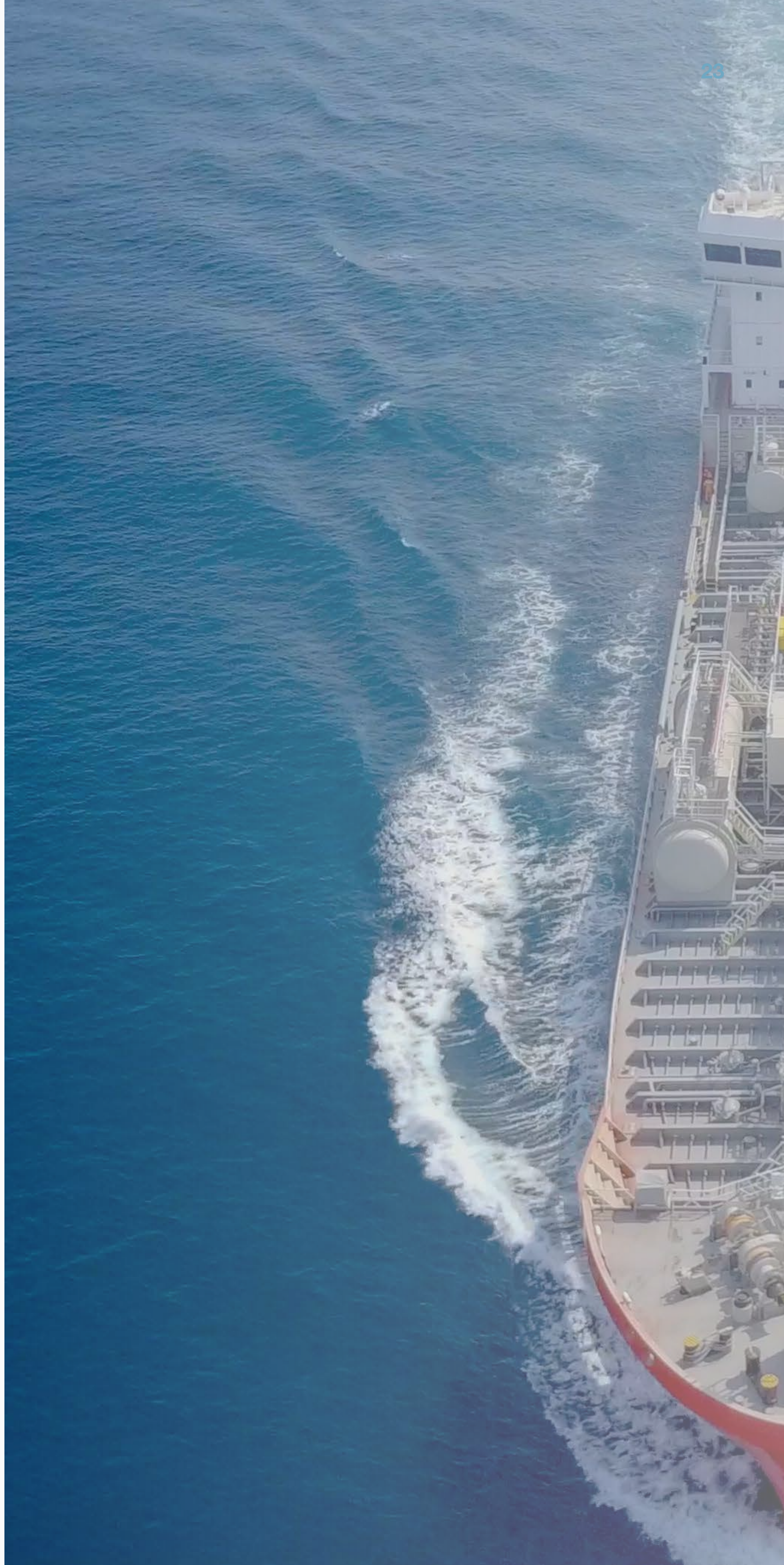
» **Dubai – Dar Al Ber Society**
In collaboration with the Dar Al Ber Society we donated and distributed calling cards and Iftar meals to 500 laborers from the Tanzir Labor Camp during the Ramadan season.

» **India – Palms Care Foundation**
An organisation providing aid for poor and orphaned children.

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

» **India – Mumbai Soup Kitchen**
This forum provides non-formal education and learning environment for street children in Mumbai.

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



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

BOARD OF DIRECTORS

KLAUS NYBORG

Chairman

Born in 1963.
Board member since 2012 and Chairman since 2014.
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 Norden A/S and Bawat A/S. Vice Chairman of the boards in Uni-Tankers A/S, Bunker Holding A/S and DFDS A/S. Member of the boards in Karen og Poul F. Hansens Familiefond, X- Press Feeders Ltd. and Moscord Pte Ltd.

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

PETER FREDERIKSEN

Board member

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

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

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

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

TORBEN JANHOLT

Board member

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

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

Other directorships
Member of the boards in Bunker Holding A/S, Uni-Tankers A/S, Torm PLC and Pioneer Marine Pty.

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

PETER KORSHOLM

Board member

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

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

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

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

TORBEN ØSTERGAARD-NIELSEN

Board member and owner

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

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

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

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

BOARD OF DIRECTORS (CONTINUED)

NINA ØSTERGAARD BORRIS

Board member

Born in 1983.
Board member since 2014.
Executive Assistant, Bunker Holding A/S.

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

Other directorships
Member of the boards in Uni-Tankers A/S and SDK A/S.

Education
MSc in Applied Economics and Finance supplemented by courses at Harvard University and London School of Economics and Political Science.

MORTEN H. BUCHGREITZ

Board member

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

Special competences
Extensive and in-depth knowledge and experience within 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 Bunker Holding A/S and Uni-Tankers A/S.

Education
MSc in Business Administration and Computer Science.

MICHAEL KELDSEN

Board member

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

Special competences
In-depth knowledge and experience within corporate matters, as a member through the years of boards of directors in a number of Danish and foreign companies. Further, 40 years engagement in extensive business and legal matters related to Greenland, such as ship building, corporate structuring particularly within fisheries and infrastructure etc.

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

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

EXECUTIVE BOARD

TORBEN ØSTERGAARD-NIELSEN

CEO

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

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

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

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

JAKOB SCHULTZ NIELSEN

CFO

Born in 1980.
Joined the USTC Group in 2009.
Member of the Excecutive Board and CFO in A/S United Shipping & Trading Company since 2019.

Special competences
Extensive experience within investments and financing, and knowledge of the real estate market. An in-depth knowledge of the various business activities in the USTC Group through experience as, among others, Group Accounting Director in Bunker Holding Group.

Other directorships
Member of the boards in Middelfart Bycenter A/S and VODA A/S.

Education
MSc in Business Administration and Auditing.

CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

1 MAY - 30 APRIL

		Group		Parent Company	
DKK '000	*Note*	**2018/19**	**2017/18**	**2018/19**	**2017/18**
Revenue	*1*	71,615,898	53,587,704	**0**	**0**
Direct expenses		(68,847,636)	(51,421,240)	0	0
Gross profit		**2,768,262**	**2,166,464**	**0**	**0**
Other operating income		10,739	6,216	1,664	0
Other external expenses		(655,079)	(651,461)	(551)	(860)
Staff expenses	*2*	(1,199,624)	(957,528)	0	0
Depreciation, amortisation and impairment losses	*3, 4*	(383,607)	(208,103)	0	0
Profit before financial income and expenses		**540,691**	**355,588**	**1,113**	**(860)**
Profit from investments in group enterprises and associates		10,387	4,653	226,829	196,624
Financial income	*5*	79,098	79,051	515	2,531
Financial expenses	*6*	(287,256)	(177,165)	(925)	(2,546)
Profit before tax		**342,920**	**262,127**	**227,532**	**195,749**
Tax on profit for the year	*7*	(107,111)	(58,838)	(156)	193
Net profit for the year		**235,809**	**203,289**	**227,376**	**195,942**
Proposed distribution of profits	*13*				

BALANCE 30 APRIL

ASSETS

		Group		Parent Company	
DKK '000	*Note*	**2019**	**2018**	**2019**	**2018**
Software		69,736	57,132	0	0
Completed development projects		1,245	2,556	0	0
Acquired rights		20,213	36,610	0	0
Goodwill		295,008	305,099	0	0
Intangible assets	*8*	**386,202**	**401,397**	**0**	**0**
Land and buildings		162,150	165,951	0	0
Ships and equipment		1,228,196	1,240,733	0	0
Fixtures and fittings, tools and equipment		117,001	97,766	0	0
Leasehold improvements		340	401	0	0
Prepayments for property, plant and equipment		379	48,611	0	0
Property, plant and equipment	*9*	**1,508,066**	**1,553,462**	**0**	**0**
Investments in subsidiaries		0	0	2,815,075	2,047,686
Securities and other investments		42,041	23,849	0	0
Other receivables		2,398	2,986	0	0
Fixed asset investments	*10*	**44,439**	**26,835**	**2,815,075**	**2,047,686**
Fixed assets		**1,938,707**	**1,981,694**	**2,815,075**	**2,047,686**
Inventories		**1,205,963**	**642,031**	**0**	**0**
Trade receivables		6,495,835	5,551,770	0	0
Receivables from group entreprises		592	0	2,316	0
Receivables from associates		91,115	65,947	0	0
Other receivables	*11*	1,067,942	709,303	557	240
Prepayments		72,274	50,434	0	49
Corporation tax		99,801	93,939	0	193
Deferred tax asset	*14*	63,427	52,641	0	0
Receivables		**7,890,986**	**6,524,034**	**2,873**	**482**
Securities		**1,853**	**36,982**	**23**	**33,133**
Cash at bank and in hand		**1,333,616**	**849,763**	**0**	**1,056**
Current assets		**10,432,418**	**8,052,810**	**2,896**	**34,671**
Assets		**12,371,125**	**10,034,504**	**2,817,971**	**2,082,357**

BALANCE 30 APRIL

LIABILITIES AND EQUITY

		Group		Parent Company	
DKK '000	Note	2019	2018	2019	2018
Share capital	12	4,900	4,900	4,900	4,900
Reserve for net revaluation under the equity method		22,823	21,103	1,825,382	1,255,603
Retained earnings		2,478,410	2,009,804	675,851	775,304
Proposed dividend for the year		100,000	0	100,000	0
Shareholders part of equity		**2,606,133**	**2,035,807**	**2,606,133**	**2,035,807**
Minority interests		1,452	202,778	0	0
Total equity		**2,607,585**	**2,238,585**	**2,606,133**	**2,035,807**
Provision for deferred tax	14	33,941	32,282	0	0
Other provisions	15	4,835	5,035	0	0
Provisions		**38,776**	**37,317**	**0**	**0**
Mortgage debt		72,693	72,477	0	0
Credit institutions		1,456,602	890,022	60,000	0
Lease payables		37,854	29,427	0	0
Deposits		0	43	0	0
Other payables		2,000	3,000	0	0
Long-term debt	16	**1,569,149**	**994,969**	**60,000**	**0**
Short-term part of long-term debt		222,586	62,768	15,000	0
Credit institutions		2,278,187	2,053,920	36,145	32,534
Trade payables		4,180,129	3,516,056	34	47
Prepayments received		831,612	712,958	27	21
Payables to associates		416	888	0	0
Payables to group enterprises		93,833	0	100,477	13,948
Deferred income		16,348	10,141	0	0
Corporation tax		93,985	72,008	155	0
Other payables	11	438,519	334,894	0	0
Short-term debt		**8,155,615**	**6,763,633**	**151,838**	**46,550**
Debt		**9,724,764**	**7,758,602**	**211,838**	**46,550**
Liabilities and equity		**12,371,125**	**10,034,504**	**2,817,971**	**2,082,357**

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Related parties	18
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Accounting Policies	20

EQUITY

GROUP

2018/19 DKK '000	Share capital	Reserve under the equity method	Reserve for development costs	Retained earnings	Proposed dividend	Total	Minority interests	Total equity
Equity at 1 May	4,900	21,103	0	2,009,804	0	2,035,807	202,778	2,238,585
Net profit for the year	0	570	0	126,806	100,000	227,376	7,980	235,356
Change in minority	0	0	0	0	0	0	(219,886)	(219,886)
Capital adjustments	0	1,150	0	341,800	0	342,950	10,580	353,530
Equity at 30 April	**4,900**	**22,823**	**0**	**2,478,410**	**100,000**	**2,606,133**	**1,452**	**2,607,585**

2017/18 DKK '000	Share capital	Reserve under the equity method	Reserve for development costs	Retained earnings	Proposed dividend	Total	Minority interests	Total equity
Equity at 1 May	4,900	18,245	732	2,131,134	100,000	2,255,011	214,754	2,469,765
Dividend paid	0	0	0	(145,000)	(100,000)	(245,000)	0	(245,000)
Net profit for the year	0	4,653	(732)	192,021	0	195,942	7,347	203,289
Change in minority	0	0	0	0	0	0	754	0
Capital adjustments	0	(1,795)	0	(168,351)	0	(170,146)	(20,077)	(189,469)
Equity at 30 April	**4,900**	**21,103**	**0**	**2,009,804**	**0**	**2,035,807**	**202,778**	**2,238,585**

EQUITY
PARENT COMPANY

2018/19 DKK '000	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 May	4,900	1,255,603	775,304	0	2,035,807
Net profit for the year	0	226,829	(99,453)	100,000	227,376
Capital adjustments	0	342,950	0	0	342,950
Equity at 30 April	**4,900**	**1,825,382**	**675,851**	**100,000**	**2,606,133**

2017/18 DKK '000	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 May	4,900	1,441,533	708,578	100,000	2,255,011
Dividend paid	0	0	(145,000)	(100,000)	(245,000)
Net profit for the year	0	(15,784)	211,726	0	195,942
Capital adjustments	0	(170,146)	0	0	(170,146)
Equity at 30 April	**4,900**	**1,255,603**	**775,304**	**0**	**2,035,807**

CASH FLOW STATEMENT

1 MAY - 30 APRIL

	Group	
DKK '000	**2018/19**	**2017/18**
Profit for the year before tax	342,920	262,127
Amortisation and depreciation for the year	383,625	208,103
Changes in receivables	(1,349,716)	(330,877)
Changes in provisions	(200)	(4,817)
Changes in inventories	(563,932)	57,843
Changes in trade payables, other payables, etc.	984,877	1,150,468
Exchange adjustments and other adjustments	(7,646)	(37,768)
Cash flows from ordinary activities	**(210,072)**	**1,305,079**
Corporation tax paid	(100,122)	(104,809)
Cash flows from operating activities	**(310,194)**	**1,200,270**
Business acquisition	(28,744)	(124,477)
Purchase of intangible assets	(23,747)	(77,499)
Sale of intangible assets	0	1,964
Purchase of property, plant and equipment	(152,908)	(152,078)
Sale of property, plant and equipment	5,808	4,230
Cash flows from investing activities	**(199,591)**	**(347,860)**
Change in debt to mortgage credit institutes and credit institutions	724,401	(155,016)
Changes in lease payables	10,640	38,931
Dividend paid	0	(245,000)
Minority interests	(799)	754
Cash flows from financing activities	**734,242**	**(360,331)**
Change in cash and cash equivalents	**224,457**	**492,079**
Net cash and cash equivalents at 1 May	(1,167,175)	(1,665,399)
Additions through acquisition	0	6,145
Net cash and cash equivalents at 30 April	**(942,718)**	**(1,167,175)**

Net cash and cash equivalents comprise cash at bank and in hand, securities and the portion of the item "Credit institutions" under short-term debt relating to operating activities.

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENT INFORMATION

	Revenue		Profit/loss before financial items		Value of fixed assets		Liabilities	
DKK mill	**2018/19**	**2017/18**	**2018/19**	**2017/18**	**2019**	**2018**	**2019**	**2018**
GROUP ACTIVITIES								
Sale and mediation of bunkers	68,702	51,055	635	317	393	371	8,351	6,309
Shipping and Logistics	1,470	1,005	32	24	237	240	337	345
Ship owning	1,326	1,416	(137)	11	1,243	1,308	1,002	1,070
IT services	109	98	11	4	65	62	33	31
Other activities	9	14	0	0	1	1	2	4
	71,616	**53,588**	**541**	**356**	**1,939**	**1,982**	**9,725**	**7,759**

2. STAFF EXPENSES

DKK '000	**2018/19**	**2017/18**
GROUP		
Hire of crew	56,043	53,237
Wages and salaries	969,718	780,983
Pensions	44,153	41,907
Other social security expenses	129,710	81,401
	1,199,624	**957,528**

With reference to section 98b(3) of the Danish Financial Statements Act, remuneration to the Executive Board and the Board of Directors is not disclosed.

Number of employees, including hired crew	**1,761**	**1,649**

PARENT COMPANY

Besides the Executive Board, the Company has no employees.

3. DEPRECIATION, AMORTISATION, AND IMPAIRMENT LOSSES

DKK '000	2018/19	2017/18
GROUP		
Software	10,413	7,663
Completed development projects	1,311	1,534
Acquired rights	18,779	149
Goodwill	51,962	45,718
Buildings	9,033	9,326
Ships and equipment	257,096	119,975
Fixtures and fittings, tools and equipment	34,870	23,644
Leasehold improvements	143	94
	383,607	**208,103**

4. SPECIAL ITEMS

Relating to the impairment test at the end of the financial year a DKK 143,064k write-down on vessels has been included in the profit and loss.

5. FINANCIAL INCOME

DKK '000	2018/19	2017/18
GROUP		
Financial income from group enterprises	0	0
Other financial income	79,098	79,051
	79,098	**79,051**
PARENT COMPANY		
Financial income from group enterprises	0	117
Other financial income	515	2,414
	515	**2,531**

6. FINANCIAL EXPENSES

DKK '000	2018/19	2017/18
GROUP		
Financial income from group enterprises	508	0
Other financial expenses	286,748	177,165
	287,256	**177,165**
PARENT COMPANY		
Financial income from group enterprises	572	195
Other financial income	353	2,351
	925	**2,546**

7. CORPORATION TAX

DKK '000	2018/19	2017/18
GROUP		
Current tax for the year	109,798	68,456
Tax concerning previous years	9	(1,064)
Adjustment of provision for deferred tax	(2,696)	(8,554)
Deferred tax, previous years	0	0
Total tax for the year	**107,111**	**58,838**
PARENT COMPANY		
Current tax for the year	155	(193)
Tax concerning previous years	1	0
Deferred tax, previous years	0	0
Total tax for the year	**156**	**(193)**

8. INTANGIBLE ASSETS

DKK '000	Software	Completed development projects	Acquired rights	Goodwill
GROUP				
Cost at 1 May	76,401	8,340	38,361	618,016
Exchange adjustment	5,959	0	2,941	46,424
Additions for the year	23,747	0	0	28,744
Disposals for the year	(5,408)	0	0	0
Cost at 30 April	**100,699**	**8,340**	**41,302**	**693,184**
Amortisation at 1 May	19,269	5,784	1,751	312,917
Exchange adjustment	1,281	0	559	33,297
Amortisation for the year	10,413	1,311	18,779	51,962
Amortisation at 30 April	**30,963**	**7,095**	**21,089**	**398,176**
Carrying amount at 30 April	**69,736**	**1,245**	**20,213**	**295,008**

Completed development projects relate to capitalised software development costs. The software has been developed for the Group's own use and is expected to contribute positively to the Group's earnings in the years ahead through efficiency improvements of processes and more insight into markets, customers, etc.

9. PROPERTY, PLANT AND EQUIPMENT

DKK '000	Prepay-ments for fixed assets	Land and buildings	Ships and equipment	Fixtures and fittings, tools and equipment	Leasehold improve-ments
GROUP					
Cost at 1 May	48,611	251,945	1,892,026	285,556	1,232
Exchange adjustment	27	1,158	147,832	3,956	(65)
Transfer	(48,259)	0	48,259	0	0
Additions for the year	0	7,232	103,676	56,064	71
Disposals for the year	0	(3,149)	(45,955)	(21,900)	0
Cost at 30 April	**379**	**257,186**	**2,145,838**	**323,676**	**1,238**
Depreciation at 1 May	0	85,994	651,293	187,790	831
Exchange adjustment	0	1,113	54,708	2,652	(76)
Depreciation and impairment losses for the year	0	9,033	257,096	34,870	143
Reversal of impairment and depreciation of sold assets	0	(1,104)	(45,455)	(18,637)	0
Depreciation at 30 April	**0**	**95,036**	**917,642**	**206,675**	**898**
Carrying amount at 30 April	**379**	**162,150**	**1,228,196**	**117,001**	**340**
Hereof assets under finance leases	**0**	**0**	**0**	**49,797**	**0**
Interest expenses recognized as part of cost price	**0**	**0**	**770**	**0**	**0**

10. FIXED ASSET INVESTMENTS

DKK '000	Investments in associates	Other receivables
GROUP		
Cost at 1 May	2,746	2,986
Exchange adjustment	1,052	(45)
Additions for the year	15,429	138
Additions for the year through business acquisition	0	(681)
Disposals for the year	(9)	0
Cost at 30 April	**19,218**	**2,398**
Value adjustments at 1 May	21,103	0
Exchange adjustment	1,150	0
Value adjustments for the year	570	0
Value adjustments at 30 April	**22,823**	**0**
Carrying amount at 30 April	**42,041**	**2,398**

DKK '000	Investments in subsidiaries
PARENT COMPANY	
Cost at 1 May	792,083
Additions for the year	197,610
Disposals for the year	0
Cost at 30 April	**989,693**
Value adjustments at 1 May	1,255,603
Exchange adjustment	155,908
Shares of profit for the year	228,721
Dividend	0
Fair value adjustment of hedging instruments for the year	(31,244)
Other equity movements	218,286
Amortisation of goodwill	(1,892)
Value adjustments at 30 April	**1,825,382**
Carrying amount at 30 April	**2,815,075**
Remaining positive differences (goodwill) included in the above carrying amount at 30 April 2019	631

THE PARENT COMPANY'S INVESTMENTS IN SUBSIDIARIES COMPRISE:	Place of reg. office	Votes and ownership
Bunker Holding A/S	Middelfart	100 %
Unit IT Holding A/S	Middelfart	100 %
SDK A/S	Fredericia	100 %
Rederiaktieselskabet Nyborg	Nyborg	100 %
Uni-Tankers A/S	Middelfart	100 %
Strada A/S	Middelfart	100 %

For a list of subsidiaries owned by subsidiaries please see the Annual Report of the individual Companies.

11. DERIVATIVE FINANCIAL INSTRUMENTS

DKK '000	2018/19	2018/19	2017/18	2017/18
GROUP	**Assets**	**Liabilities**	**Assets**	**Liabilities**
The items other receivables and other payables include fair value adjustment of derivative financial instruments specified as follows:				
Commodity swaps	1,156,241	(1,241,667)	2,196,600	(2,402,852)
Commodity futures	705,524	(476,835)	1,899,109	(1,627,300)
Fixed Price Physical	7,186	0	4,052	(882)
Commodity options	90,882	(91,461)	37,241	(33,960)
Forward foreign exchange contracts	40,437	0	0	(29,716)
Settled financial instruments	102,720	(55,109)	0	0
	2,102,990	**(1,865,072)**	**4,137,002**	**(4,094,710)**
BALANCES QUALIFYING FOR OFFSETTING				
Commodity swaps, -futures and -options	(971,995)	971,995	(3,790,804)	3,829,532
Margin deposits	(383,511)	45,015	98,087	(444,335)
Amounts included in the balance sheet	**747,485**	**(848,062)**	**444,285**	**(709,513)**

12. EQUITY

The share capital consists of 1 share of DKK 4,900k.

Uni-Tankers m/t Fionia Swan
(part of the Group's Ship owning activities)

13. PROPOSED DISTRIBUTION OF PROFITS

DKK '000	2018/19	2017/18
GROUP		
Proposed dividend	100,000	0
Extraordinary dividend	0	145,000
Assurance engagements equity method	1,720	2,858
Reserve for development costs	0	(732)
Minority interests' share of profit in group enterprises	8,433	7,347
Retained earnings	125,656	48,816
	235,809	**203,289**
PARENT COMPANY		
Proposed dividend	100,000	0
Extraordinary dividend	0	145,000
Assurance engagements equity method	226,829	(15,784)
Retained earnings	(99,453)	66,726
	227,376	**195,942**

14. DEFERRED TAX

DKK '000	2018/19	2017/18
GROUP		
Deferred tax at 1 May	(20,359)	(21,892)
Exchange adjustment	(6,431)	10,087
Change for the year	(2,696)	(8,554)
Deferred tax at 30 April	**(29,486)**	**(20,359)**
Deferred tax is recognised in the Annual Report as follows:		
Deferred tax asset	(63,427)	(52,641)
Deferred tax liability	33,941	32,282
	(29,486)	**(20,359)**

Deferred taxes relate to temporary differences of intangible assets and property, plant and equipment, which are essentially expected to be recirculated in the tax statement within the next three to five years. Deferred tax assets arising from tax losses are also expected utilised within the next three to five years based on an assessment of the plans and budgets of the companies concerned.

15. OTHER PROVISIONS

Other provisions relate to restructuring liabilities concerning severance pay and leases not utilized. All other provisions fall due within 1 year.

16. LONG-TERM DEBT

GROUP

Of the long-term debt, DKK 95,325k falls due after more than 5 years.

17. SECURITY, CONTINGENT LIABILITIES AND LEASE AND CONTRACTUAL OBLIGATIONS

DKK '000	2018/19	2017/18
GROUP		
Security		
As security for long-term debt, letters of indemnity have been provided in ships and equipment	801,490	915,610
At the balance sheet date, the carrying amount of the assets provided as security was	1,130,044	1,240,234
Secured bank debt at 30 April	0	909,788
As security for bank facility, a mortgage deed registrered to the mortgagor has been issued secured on the Company's ships	20,000	20,000
At the balance sheet date, the carrying amount of the assets provided as security was	98,152	500
As security for bank debt, company charge has been provided in receivables, machinery, etc.	18,776	0
As security for bank facility, a charged has been granted on the Company's ships under construction	63,225	63,225
At the balance sheet date, the carrying amount of the assets provided as security was	98,152	48,259
Carrying amount of land and buildings provided as security for debt to mortgage credit institutes	140,338	134,601
Deposited owner's mortgage on buildings on owned and leased land provided as security for balance with mortgage credit and credit institutions	4,108	20,661
Mortgage deed registered to the mortgagor with charge on buildings on owned and leased land has been provided as security for debt to credit institutions	33,016	45,993
At the balance sheet date, the carrying amount of the assets provided as security was	0	53,217
At the balance sheet date, the carrying amount of bunkerhedge was	5,962	0
Mortgage deed on movable property with charge on fixtures and fittings, tools and equipment has been provided as security for debt to credit institutions	0	4,300
Contingent liabilities		
Deferred tax concerning shipowning company registered under the Tonnage Tax Scheme	20,654	19,145
Lease and rent obligations		
Lease and rent obligations	943,307	540,970

Other 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.

Parts of the Group's activities are performed with basis in storage halls situated on leased sites. As is usual practice and according to the leases, the Group is obliged to surrender and yield up the sites in the state and condition in which they were taken over. It has not been possible to reliably calculate the amount which the Group may have to pay upon vacation of the storage halls as this is subject to material uncertainty. The possible restoration costs etc. may be considerable. The leased sites are all subject to a long period of non-terminability on the part of the lessor (15-30 years) and are not expected to be vacated.

SDK Logistics (part of the Group's Shipping and Logistics activities)

18. RELATED PARTIES

Related parties comprise the Board of Directors, the Executive Board and senior executives in group enterprises as well as companies in which these persons have significant interests.

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

The Company is included in the Consolidated Financial Statements of the immediate Parent Company, Selfinvest ApS.

Controlling interest is exercised through the Company's immediate Parent Company, Selfinvest ApS, in which Torben Østergaard-Nielsen, Gl. Strandvej 171, 5500 Middelfart, CEO, exercises control.

19. SUBSEQUENT EVENTS

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

20. ACCOUNTING POLICIES

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

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2018/19 is presented in DKK thousands.

Recognition and measurement
The Financial Statements have been prepared based on the historic cost principle.

Revenues are recognised in the income statement as earned, and all expenses incurred to achieve the earnings for the year are deducted. Expenses include operating expenses, depreciation, amortisation, impairment losses and provisions as well as changes due to changed accounting estimates. Furthermore, value adjustments of financial assets and liabilities measured at fair value are recognised in the income statement.

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

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

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

Recognition and measurement take into account profits, losses and risks occurring before the presentation of the Annual Report which relate to affairs and conditions existing at the balance sheet date.

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

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Basis of consolidation
The Consolidated Financial Statements comprise the Parent Company, Selfinvest ApS, and enterprises in which the Parent Company directly or indirectly holds more than 50% of the votes or otherwise exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

Newly acquired or newly established enterprises are included in the Consolidated Financial Statements from the time of acquisition. The difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after fair value adjustment of the individual assets and liabilities (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Positive differences (goodwill) are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life; however, not exceeding 20 years.

Changes in the purchase price after takeover result in adjustment of the acquisition value of goodwill. Moreover, goodwill is adjusted where, at the time of takeover, the fair value of the net assets taken over turns out to differ from the value previously assumed. Goodwill is adjusted until the end of the financial year following the year of acquisition.

Minority interests
In the Consolidated Financial Statements, the items of the subsidiaries are fully recognised. Minority interests' proportionate shares of the profit and equity of the subsidiaries are stated as separate items in the notes and the balance sheet.

In connection with sale of a minority holding in a subsidiary, the Group acquired a right but not an obligation to repurchase the shares at the selling price with addition of an annual rate of return. This minority interest is measured at the repurchase price in accordance with the purchase option if it is considered probable that the purchase option will be exercised. In case of subsequent changes in minority interests, the changed shares are recognised in results as from the time of the change.

20. ACCOUNTING POLICIES (CONTINUED)

Leases
Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company. The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments relating to operating leases are recognised in the income statement on a straight line basis over the lease period.

Translation policies
Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the paragraph “Hedge accounting”.

Upon recognition of financial statements of foreign group enterprises and associates, income statement items are translated into Danish kroner at the average exchange rate and balance sheet items at the exchange rate at the balance sheet date. Exchange differences arising on this translation are recognised directly in equity.

Derivative financial instruments
Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are recognised in “Other receivables” and “Other payables”, respectively. Determination of the amount of offsetting between derivatives and related collateral received and paid has been adjusted so as to better reflect the expected net cash settlement under the contractual agreements.

The fair value of OTC traded derivative oil contracts is determined based on generally accepted forward and option models. Inputs to the models are, when possible, determined based on observable prices for the underlying products. In respect of contracts where the most relevant inputs are not observable, Management makes an estimation based on previous transactions, transactions with similar products, etc.

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

Net fair value adjustments relating to trading in raw materials derivatives are presented under gross profit.

Hedge accounting

Fair value hedges:
Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability.

Hedges of future assets or liabilities:
Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised directly in retained earnings under equity. If the hedged transaction results in an asset or a liability, the amount is transferred from equity to the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount 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.

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

Segment information
Segment information on activities is presented.

20. ACCOUNTING POLICIES (CONTINUED)

INCOME STATEMENT

Revenue

Revenue on the sale of goods and services is recognised in the income statement when the sale has been completed. This is considered the case when

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined, and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and duties.

Revenue includes income from shipowning activities, which is cut off and recognised over the duration of the voyages. Income from the sale of financial derivatives in respect of crude oil and oilrelated products is recognised in revenue at the time when the contract is concluded.

Gross profit includes net fair value adjustments relating to trading in raw materials derivatives.

Direct expenses

Direct expenses include expenses for the purchase of goods for resale, transport services, lease and running of machinery, depots and warehouses as well as fuel for own ships.

Other external expenses

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

Staff expenses

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

Income from investments in group enterprises and associates

The item "Income from investments in group enterprises and associates" in the income statement of the Parent Company includes the proportionate share of net profit for the year less goodwill amortisation.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange gains and losses and gains and losses on securities, amortisation of mortgage loans, as well as changes in the fair value of financial instruments.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and adjustment of deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Group's shipowning companies are computed according to the provisions of the Danish Tonnage Tax Act. On the basis of the shipowning company's planned shipowning activities, the Tonnage Tax Scheme does not imply recapture of depreciation, and therefore deferred tax for these companies is only disclosed in the note "Deferred tax".

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

BALANCE SHEET

Intangible assets

Intangible assets are measured at cost less accumulated amortisation.

Completed development projects consist were the asset is ready for use and measured at cost less accumulated amortisation. Cost for development not meets the requirements for capitalisation are expensed.

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	max 5 years
Completed development projects	max 3 years
Aquired rights	max 20 years

Residual values and expected useful lives are reassessed on an annual basis.

20. ACCOUNTING POLICIES (CONTINUED)

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 of land.

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

Owner-occupied flats are measured at market value, if deemed to be of a permanent nature, less accumulated depreciation.

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

Buildings	20-50 years
Fixtures and fittings, tools and equipment	3-10 years
Ships (newbuilding)	25 years
Ships (used)	up to 25 years
Leasehold improvements	lease terms

Residual values and expected useful lives are reassessed on an annual basis.

Ships and equipment are measured at cost less accumulated depreciation calculated on a straight-line basis over the period until either the end of the expected useful life or the time of expected phasing out. At the establishment of expected useful life, the condition and age of the ships are considered. At the establishment of the time of expected phasing out, the provisions of the MARPOL convention are considered.

The scrap values of ships are determined as the ships' selling value after 25 years of use as estimated by external shipbroker.

Docking expenses are added to the carrying amounts of the ships at the time of payment and are expensed on a straight-line basis over the expected useful lives of the improvements, on average 2.5 years.

Gains and losses on sale of property, plant and equipment are recognised in the income statement under other operating income and other external expenses, respectively.

Impairment of fixed assets
The carrying amounts of 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. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use.

The recoverable amount of ships has been determined on the basis of the value in use as the value in use is considered higher than the fair value.

The value in use is calculated by means of cash flow estimates of the expected useful life of the ship based on approved budgets for the coming financial year as well as the following estimated development. A discount rate of 8% pa after tax and exchange rates at the level of the actual rates of exchange at 30 April 2019 have been applied.

The most material assumptions applied at the calculation of the value in use are as follows:

Cash flows are based on normal earnings over the remaining life of the ship based on the ship's expected total life, cf. accounting policies applied.

» Freight rates for the coming years are estimated based on experience, knowledge of the market and input from the Company's business partners. As from the financial year 2019/20, an annual increase in freight rates corresponding to the market having reached the expected level in 2022/23 is estimated. Hereafter, an annual increase in freight rates corresponding to 2.5% is estimated.
» Operating and administrative expenses are based on experience and expectation of the general development in expenses. As from 2022/23, expenses are expected to increase by 2.5% annually.
» Docking expenses are estimated based on experience and already planned dockings. Docking expenses are expected to increase by 2.5% annually.

Investments in subsidiaries and associates
Investments in subsidiaries and associates are recognised and measured under the equity method.

20. ACCOUNTING POLICIES (CONTINUED)

The item “Securities and other equity investments” in the balance sheet of the Parent Company and the Group includes investments in associates at the proportionate ownership share of the net asset value of the enterprises calculated under the accounting policies of the Parent Company, adjusted for unrealised intercompany profits or losses and with addition or deduction of goodwill.

The total net revaluation of investments in associates is transferred in the Group to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributions and adjusted for other equity movements.

Associates with a negative net asset value are recognised in the Consolidated Financial Statements at DKK 0. Any legal or constructive obligation of the Group to cover the negative balance of the enterprise is recognised in provisions.

Gains or losses on disposal or liquidation of associates are calculated in the Group as the difference between the sales sum or the liquidation amount and the carrying amount of net assets at the time of sale or liquidation, including unamortised goodwill and expected sales or liquidation expenses. Gains or losses are recognised in the income statement.

Prepayments
Prepayments recognised as receivable consists of prepayments of costs relating to the coming financial years.

Securities, equity investments and other investment assets
Securities, equity investments and other investment assets recognised in fixed asset investments are recognised and measured at fair value.

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 of inventories the fair values of which are effectively hedged by a financial transaction is adjusted for changes in the fair value of the hedged risk.

Inventories are measured at landed cost.

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

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

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

Provisions
Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred income
Deferred income is recognised as liabilities consists of received payments regarding income in the coming financial years.

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 and own ships under the Tonnage Tax Scheme.

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

20. ACCOUNTING POLICIES (CONTINUED)

expected taxable income for the year and adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset and presented as a net item if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts
Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

Cash flows from operating activities
Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and noncash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities
Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities
Cash flows from financing activities comprise cash flows from the raising and repayment of short- and long-term debt as well as payment of dividend to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise the items "Cash at bank and in hand" and "Securities" under current assets as well as the operating share of the item "Credit institutions" under short-term debt. "Securities" comprise short-term securities subject to insignificant risk of value changes which can easily be turned into cash.

The cash flow statement cannot be immediately derived from the published financial records.

DEFINITION OF FINANCIAL RATIOS

$$\text{Gross margin} = \frac{\text{Gross profit x 100}}{\text{Revenue}}$$

$$\text{Profit margin} = \frac{\text{Profit before financials x 100}}{\text{Revenue}}$$

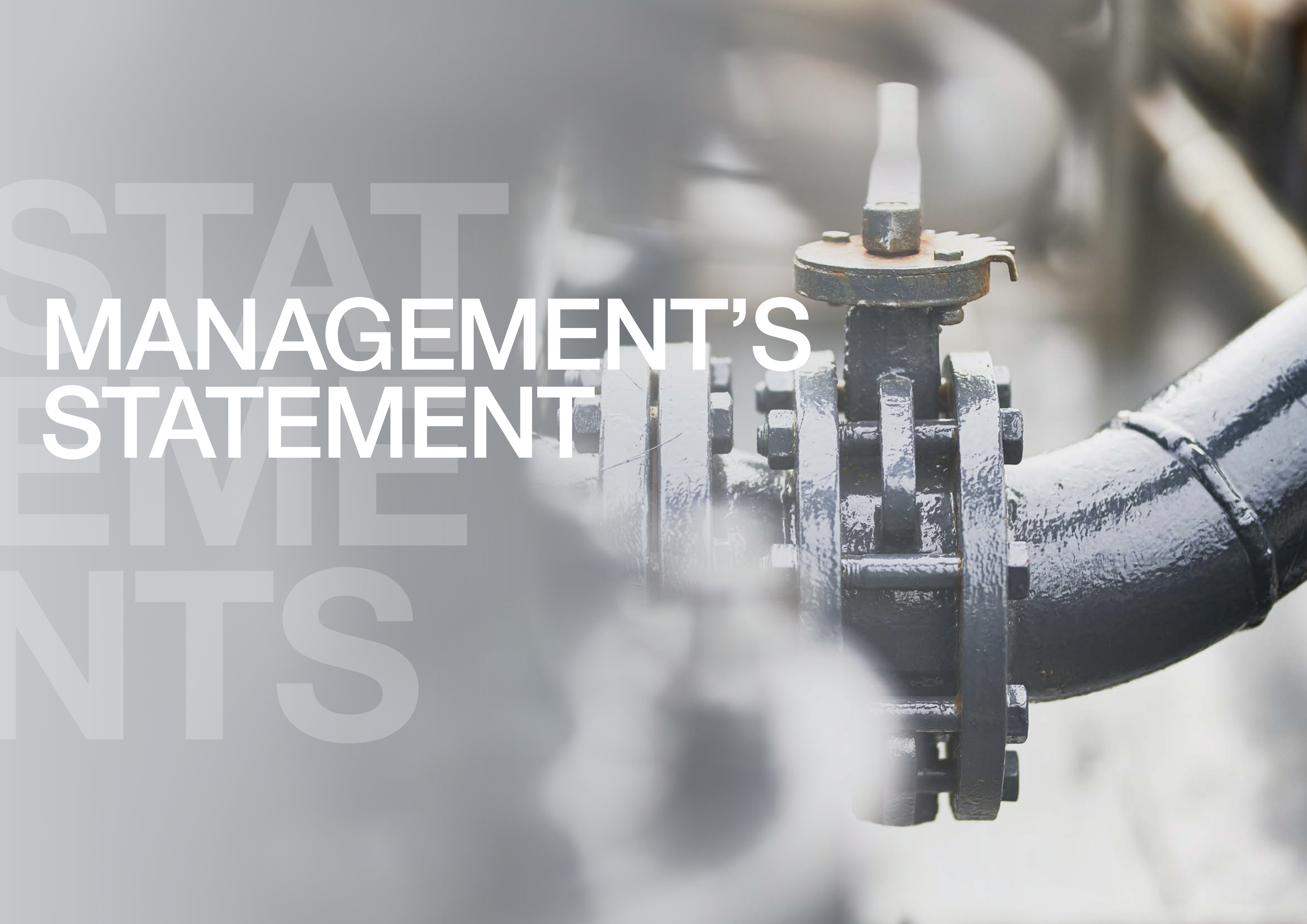
$$\text{Return on equity} = \frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$

$$\text{Liquidity ratio} = \frac{\text{Current assets}}{\text{Short-term debt}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end x 100}}{\text{Total assets}}$$

Number of employees = Employees are converted to annual full-time employees

MANAGEMENT'S STATEMENT



The Board of Directors and the Executive Board have today considered and adopted the Annual Report of A/S United Shipping & Trading Company for the financial year 1 May 2018 - 30 April 2019.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Parent Company and the Group at 30 April 2019 and of the results of the Parent Company and Group operations and consolidated cash flows for 2018/19.

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

Middelfart, 28 June 2019

EXECUTIVE BOARD

Torben Østergaard-Nielsen
CEO

Jakob Schultz Nielsen
CFO

BOARD OF DIRECTORS

Klaus Nyborg
Chairman

Torben Østergaard-Nielsen

Morten Hultberg Buchgreitz

Peter Frederiksen

Torben Janholt

Michael Keldsen

Peter Korsholm

Nina Østergaard Borris

INDEPENDENT AUDITOR'S REPORT

SDK Cruise (part of the Group's Shipping and Logistics activities).

TO THE SHAREHOLDER OF A/S UNITED SHIPPING & TRADING COMPANY

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of A/S United Shipping & Trading Company for the financial year 1 May 2018 - 30 April 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Financials 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 Statement 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 and 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 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 judgment and maintain professional skepticism throughout the audit. We also:

» Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

» Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, 28 June 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant
mne30224

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Bunker One (part of the Group's bunker activities)

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