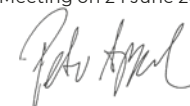


# ANNUAL REPORT

20202021

The Annual Report was presented  
and adopted at the Annual  
General Meeting on 24 June 2021



Chairman of the meeting, Peter Appel

Financial year: 1 May 2020 – 30 April 2021  
Turbinevej 10, DK-5500 Middelfart  
Company reg. no. 76 95 00 16





USTC head office in Middelfart, "Turbinehallen".

# TABLE OF CONTENTS

Introducing USTC .....	4
Key Figures and Financial Ratios .....	6
Slowly passing the baton .....	8
Management's Review .....	12
Corporate Social Responsibility .....	20
Board of Directors .....	30
Executive Board .....	33
Consolidated financial statements .....	34
Notes to the consolidated financial statements .....	41
Parent company financial statements .....	80
Notes to the parent company financial statements ....	85
Management's statement .....	91
Independent Auditor's Report .....	93



COVERING ALL CONTINENTS  
USTC IS REPRESENTED IN

# 36

COUNTRIES

# 132

OFFICES

A STAFF OF

# 3,582

REPRESENTING MORE  
THAN 50 NATIONALITIES

INTRODUCING  
USTC





Europe  
**85 OFFICES**

Americas  
**20 OFFICES**

Asia  
**24 OFFICES**

Others  
**3 OFFICES**

AUSTRALIA

# ALWAYS MOVING FORWARD.

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



**DIGITAL TOOLS**

SINCE 2021

# ALWAYS FIRMLY ANCHORED.

# KEY FIGURES AND FINANCIAL RATIOS





## FIVE-YEAR DEVELOPMENT

DKK mill	2020/21	2019/20	2018/19*	2017/18*	2016/17*
----------	---------	---------	----------	----------	----------

### INCOME STATEMENT

Revenue	65,598	76,326	71,616	53,588	46,051
Profit before financial income and expenses	593	1,354	541	356	273
Net financials	(119)	(263)	(208)	(98)	(86)
Profit before tax	488	1,105	343	262	195
Net profit for the year	386	908	236	203	147

### BALANCE SHEET

Total assets	14,540	11,262	12,371	10,035	9,369
Total equity	2,970	3,112	2,608	2,239	2,470

### CASH FLOWS

Cash flows from:					
- operating activities	726	936	(310)	1,200	(658)
- investing activities	(946)	(220)	(200)	(348)	(210)
hereof investment in property, plant and equipment	(181)	(186)	(177)	(225)	(123)
- financing activities	(210)	(1,221)	959	(490)	871
Change in cash and cash equivalents for the year	(10)	(505)	449	363	3

### RATIOS (%)

Gross margin	4.5%	5.1%	3.9%	4.0%	4.6%
Profit margin	0.9%	1.8%	0.8%	0.7%	0.6%
Return on equity	12.7%	31.7%	9.7%	8.6%	5.9%
Liquidity ratio	1.23	1.40	1.28	1.19	1.28
Solvency ratio	20.4%	27.6%	21.1%	22.3%	26.4%
Number of employees	3,582	2,526	2,229	1,911	1,802

\* The comparative figures for 2018/19, 2017/18 and 2016/17 are presented in accordance with the Danish Financial Statement Act. The main differences in accounting policies are that goodwill is not amortized, and that the leasing agreement must be recognized, financial or operational leasing respectively.

The ratios have been prepared in accordance with the definitions set out in note 19 to the Financial Statements.

The Group has implemented IFRS on 1 May 2020 with restatement of comparative figures for 2019/20.

# SLOWLY PASSING THE BATON

USTC will remain in ownership of its founding family for generations to come. The gradual and carefully planned succession process from Torben Østergaard-Nielsen to his two daughters has reached a significant point with Nina and Mia appointed to leading positions in the company.

In athletics, the passing of a baton is a lightning-fast moment, barely visible to the naked eye. But as USTC prepares the corporate version of this movement, no slow-motions effects are necessary. Here, owner and founder Torben Østergaard-Nielsen's passing of the baton to the next generation will be measured in years and is the result of a carefully laid-out plan.

"The aim of our ownership strategy is to provide a solid foundation for the next generations," Torben Østergaard-Nielsen says. "USTC will remain in this family's ownership for generations to come."

That there even is a baton to pass is in itself unusual. Bunker Holding, the largest company in the USTC Group, is one of only a few major

bunkering companies that remain in private ownership of its founding family.

For the 3,600 global employees in USTC, the path forward for their company has never been subject to the demands of quarterly reports or thousands of shareholders, but only the vision of TØN, Nina and Mia, as the founder and his two daughters are universally known within the Group.

Mia and Nina have both been integral parts of the company since they were old enough to be given their first after-school job. That they have recently been confirmed as the future active owners of USTC is generally regarded amongst employees as how things were always meant to be.

The first financial step in the well-planned succession process has been implemented, with TØN keeping the controlling A shares of the parent company Selfinvest, and 2/3 of the ownership of the Group having been transferred to Nina and Mia.

"The group will continue to be led by able and experienced management teams. Our roles are as active, knowledgeable, and visionary owners who ensure that my family's ethos and values continue to pervade the company," says TØN.

## FAMILY-OWNED BUSINESS WITH TRADESMANSHIP AS ITS CORE COMPETENCE

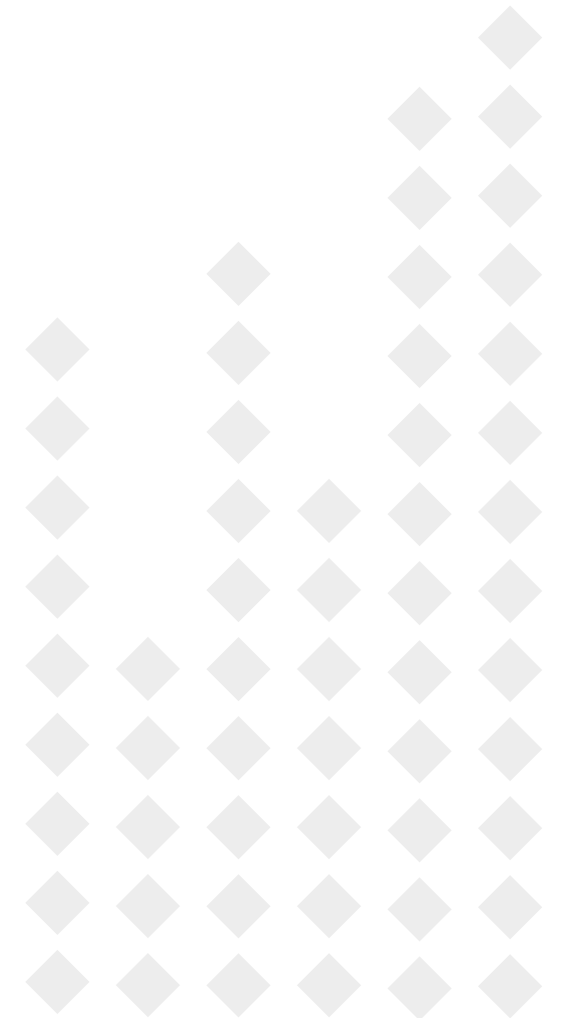
An advantage of the family ownership is the agility and fast decision making that allows USTC to stay on the forefront of the development in markets, products, digitalisation and more.

"We have always been ready for change, and to move the company to where the next opportunity is. Right now, we are making investments in employees, IT and other areas that may not generate returns next year, but only several years from now," says Nina Østergaard Borris.





*Torben, Mia and Nina.*



“Our family ownership allows us to look to the far horizon, plan ahead, and keep a steady course without needing to worry about temporary ripples on the surface.”

The readiness for change will be vital in the coming years and decades, where global shipping must transition to new bunker fuels that are sustainable, revolutionary, and at the moment perhaps not even existing yet.

“We are entering a period with uncertainty in the industry about the future: About fuel, supply, and cost,” adds Nina. “Our tradesmanship is the core competence that stands above all else, and now is a perfect time to be a tradesman.”

“We are looking at a very exciting business – and also a very different and more sustainable business,” says Mia. “Our job is to be there for our clients. We have to be the middleman who offers relevant services and creates value.”

## NINA AND MIA APPOINTED TO LEADING POSITIONS

Nina Østergaard Borris, 37, was promoted to COO of USTC in 2020. After graduating from Copenhagen Business School and later Harvard and London School of Economics, she specialised in mergers & acquisitions and business restructuring outside the group before returning to her roots.

Her sister, Mia Østergaard Nielsen, 31, has been named Head of Corporate Governance at USTC, marking her return to the Group in September 2021. She comes from a position as Associate at the consulting house Spencer Stuart, where she has been recruiting top management. She has worked and studied in both London and Singapore and has an educational background in HR from CBS.

“We have made a plan for each of us that includes taking on more responsibilities as our father gradually steps further and further back,” explains Nina. “Our father was the pioneer and entrepreneur, but our roles will be different because the company has grown into such a big and complex organisation.”

“As the owner family our job is to set the framework and ensure that the company is guided by the right mindset,” adds TØN. “We will continuously work to ensure that we have the right governance structure for USTC.”



**We have always  
been ready for  
change, and to  
move the company  
to where the next  
opportunity is.**





## FROM LOCAL COMPANY TO GLOBAL LEADER

USTC can trace its history back to 1876, when a local shipbroking company was founded in a town on the shores of the Danish strait of Lillebælt. The ascent to a global leader in the shipping industry began in earnest in the early 1980s, when Torben Østergaard-Nielsen had been appointed managing director of the still-small shipbroker in Middelfart.

Recognising the potential in the market for an independent bunker trading company, he started personally sourcing the fuels and talking to the ship-owners. In the process, he became one of the pioneers who transformed the way the world's shipping companies buy bunkers.

Torben Østergaard-Nielsen soon expanded operations internationally, and eventually took over full ownership, transforming the bunkering activities into Bunker Holding. Today, Bunker Holding is the world's leading bunkering company.

Over the past 40 years, Torben Østergaard-Nielsen has also nurtured shipping and logistics activities, the original lifeblood of the company. USTC today includes the ship-owning company Uni-Tankers (founded in 1995), Unit IT (founded in 2003), and SDK FREJA (so-named after a rebranding and an acquisition of a large Danish transport and logistics company in 2020, but with a direct line of ascendance from the company founded in 1876).

# MANAGEMENT'S REVIEW





## ACTIVITIES

The Group has activities within five segments:

- ♦ Bunkers
- ♦ Ship owning
- ♦ Shipping & Logistics
- ♦ IT services
- ♦ Digital tools

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

The Company – Bunker Holding – is fuelling the shipping industry as the world's leading company in bunker trading. As a global organisation, the Company purchase, sell and supply marine fuel and lube oil for ships, as well as providing risk management and other vital services for the shipping industry. The three main business areas are: bunker trading, risk management and physical operations. Bunker Holding is present worldwide with 70 own offices in 35 countries.

### Ship owning

The Company – Uni-Tankers – is a leading tanker shipping company trading in the intermediate and small tanker segment. The Company operates 38 owned and chartered vessels comprising of modern and flexible product and chemical tankers with focus on high security and quality in sizes up to 15,000

dwt. At the end of the financial year, the tonnage available under Uni-Tankers' activities totals 328,461 dwt with an average age of 10.35 years, which places the fleet among the youngest in Uni-Tankers' core markets.

### Shipping & Logistics

The Company – SDK FREJA – is a full-service Shipping and Logistics company. The main activities of SDK FREJA include freight forwarding within Road, Air & Sea, Project, Logistics, as well as Stevedoring, Agency, Customs Clearing, Commercial Chartering, Liner and Cruise services. In addition, the Company offers specialist logistics solutions within healthcare, warehousing, and refrigeration.

The Company has grown significantly in size during the financial year by acquiring FREJA Transport & Logistics, thus rebranding the Company from SDK to SDK FREJA. The Company is present with locally based offices in Northern Europe and strategic positions in China and Spain.

### IT services

The Group's IT activities – Unit IT – comprise a wide range of high-end services within infrastructure and the operations and support of private and public cloud solutions, including specialist units within cyber security, business intelligence and data platform for operation and optimization of database performance. The company is Danish-based and nationwide with 7 offices.

### Digital tools

The Company – BunkerEx – was acquired by USTC end of March 2021. BunkerEx is an online automated bunker pricing tool that is integrated with the WhatsApp app. Customers can not only track market prices in real-time, but also fix forward with the flexibility to change ports, dates, quantity, and even vessel. The acquisition of BunkerEx is a testament to the Group's ambition to digitalise and be at the forefront of innovation and new technologies within the industry.

## DEVELOPMENT IN THE YEAR

The USTC Group achieved revenue of DKK 65,598 million and a profit before tax of DKK 488 million. Despite a worldwide pandemic and thus troubled waters in the entire world economy, USTC achieved its third highest result before tax ever in its history and considers the result being satisfying.

At the end of the year, equity amounted to DKK 2,970 million equalling a solvency ratio of 20.4%.

The worldwide COVID-19 pandemic turned the 2020/21 financial year into a challenging period. The steep decline in demand for transported fuels affected the Ship owning business, and the combination of the collapsed oil price not fully recovering during the financial year as well as the pandemic taking a toll on vital markets, impacted the earnings in Bunkers. Although volume sold

increased in 2020/21 to a record-setting high, the low oil price resulted in a decline in top and bottom line for the Bunkers activity.

The converse is true of the Shipping & Logistics activity and the IT services, where both segments delivered all-time high results. In addition to organic growth, the Shipping & Logistics activity acquired FREJA Transport & Logistics, resulting in nearly a doubling of the top and bottom line, whereas the IT services benefitted, amongst others, from harvesting on its strategic initiatives as well as optimising internal synergies.

In total, the revenue decline of 14% is primarily anchored in Bunkers and reflects the lower oil price throughout most of the financial year.

The decline in profit before tax is equally anchored in Bunkers, where the pandemic crisis caused a significant change in supply and demand for oil and impacted oil prices negatively. Further, the Ship owning company experienced a steep decline in earnings due to a severe drop in demand for transported fuels. Despite achieving record-setting results in Shipping & Logistics activities and IT services, the growth in these segments could

not offset the decline in the Bunkers and the Ship owning segments.

Through the financial year, the USTC Group benefitted from its solid and strong financial position and creditworthiness and obtained a solvency ratio of 20.4% despite the effects from the collapse in the oil price and the COVID-19 pandemic impacting vital markets. The Group's funding is based on solid agreements with its banks by which the Group has had a close relation for many years.

#### TOTAL ASSETS:



**14,540** DKK MILL  
**+29%\***

#### TOTAL EQUITY:



**2,970** DKK MILL  
**20.4%**  
SOLVENCY

#### NUMBER OF EMPLOYEES:



**3,582**  
**+1,056\***

#### NUMBER OF OFFICES:



**132**  
**+27\***

\* Compared to 2019/20

## Bunkers

The Bunkers segment – Bunker Holding – achieved revenue of DKK 61,833 million and a profit before tax of DKK 445 million. The decline in profit before tax equals 57% compared to the record year of 2019/20, where much of Bunker Holding's growth came directly from the shipping industry's 2020 transition to low-sulphur fuel.

Bunker Holding maintained momentum in financial year 2020/21 and delivered growth in transacted volume of 10%. This was driven both organically and through acquisition and resulted in an improved market share where the activity's position as the global leading bunkering company was cemented.

The record high volume was, however, more than offset by decreased oil prices, as the pandemic caused a significant change in supply and demand for oil and impacted oil prices negatively throughout most of the year, also resulting in a decrease in gross profit per metric tonne.

A strong and continuous access to capital is essential for a working capital-intensive business like bunkering and at the end of the year, Bunker Holding holds significant amounts of unutilised credit facilities giving the group a very strong financial capacity to support the continued growth.

## Ship owning

Tanker shipping has rarely seen more challenging times than the 2020/21 financial year, with demand

for transported fuels, in particular, in steep decline due to the COVID-19 pandemic.

Revenue fell by 3.4% during the year to DKK 1,249 million, while the direct and staff/other costs fell/increased by 1%, yielding a net loss result for the 2020/21 financial year of DKK 36 million. This amounts to a decrease of DKK 51 million compared to financial year 2019/20.

Uni-Tankers views the entire decline in revenue in 2020/21 as attributable to the COVID-19 pandemic, and while performance for the year cannot be regarded as satisfactory, it is seen as an unavoidable consequence of the pandemic.

Despite the obvious challenges, the Company continued pursuing its ambitious programme of cost-optimization and strategic investments.

2020/21 was not a growth year for the tanker business, but Uni-Tankers still invested in tonnage, entering the stainless-steel segment with four vessels acquired on a long-term time-charter (TC) basis in 2019/20 and a fifth TC vessel acquired in 2020/21. This development marks another step towards the Company's strategic goal of maintaining a diverse fleet that can take advantage of new business opportunities wherever they arise. In addition, the Company entered several TC out agreements and secured a purchase option on selected TC vessels.

Finally, Uni-Tankers increased its contract portfolio

by 20% in 2021, providing an important business win during an otherwise challenging year. By reducing the need to trade spot cargo, the larger contract portfolio has helped put the Company's business on even stronger foundations.

## Shipping and Logistics

The 2020/21 financial year was a landmark year for SDK FREJA with the best-ever performance, a notable acquisition, which was also reflected in a new name for the Group, and the launch of a new, ambitious strategy plan.

2020/21 was also a turbulent year, marked by a global pandemic that is still the cause of lack of transparency and concern for customers, partners, suppliers and financial markets.

The SDK FREJA group achieved a revenue of DKK 2,633 million (DKK 1,380 million in the previous year). The increase in revenue for the year can primarily be attributed to FREJA becoming a part of the Group end of December 2020.

Profit before tax amounted to DKK 62 million (DKK 32 million the previous year), and at the end of the year, equity amounted to DKK 542 million (DKK 132 million).

Compared to last year, profit before tax has increased by DKK 30 million, corresponding to a 92.5% increase. The increased profit comes primarily from the acquisition of FREJA and to a lesser extent from organic growth/optimisation of existing activities.



The financial impact from the acquisition of FREJA on the group for 2020/21 only covers a 4-month period. Thus, expectations for 2021/22 are significantly higher revenue and earnings than for 2020/21 – in the region of a 70-80% revenue increase and a 55-65% earnings increase.

#### IT services

The IT services achieved revenue of DKK 160 million and profit before financial items of DKK 20 million. The revenue improved with 18% and result before tax with 25% compared to the previous year marking a record year for Unit IT. The increase is obtained

through general growth in activities, high demand for specialist competencies, and synergies.

The financial year has been characterised by the COVID-19 pandemic with most of the staff and customers working from home. This has only cemented the Company's focus on offering present and attentive service to its customers to maintain a close cooperation and deliver above expectations.

This is reflected in Unit IT's ongoing customer satisfaction survey, which recently achieved a Net Promoter Score (NPS) of 85 (the scale ranges from minus 100 to plus 100), which resulted in the award as

Denmark's Most Recommended Company in 2020. The award was given to Unit IT as a recognition of the company's uncompromising approach to executing according to best practice and keeping a common thread in the work around NPS in the creation of the company's mantra "Present on purpose".

Unit IT has a broad range of competencies within IT-infrastructure covering the areas of managed services, high-end operation, end-user support, performance optimisation of databases as well as business intelligence and cyber security competencies.





*SDK FREJA, the Group's Shipping & Logistics activities.*





*SDK FREJA, the Group's Shipping & Logistics activities.*





By continuously developing the company and adding new business areas and competencies, the company manages to grow their customer portfolio as well as their business volume with individual customers. The expansion of new products and services continue to pay off as customers are benefiting from the broader portfolio, which again has resulted in increasing cross sales between business units.

The positive development in the activities is expected to continue in 2021/22 with an organic growth of approx. 10% combined with the acquisition of appropriate companies.

#### **Digital tools**

The latest addition to the USTC Group – BunkerEx – was acquired end of March 2021, thus very limitedly adding to the 2020/21 financial results. BunkerEx was established in 2017 with a vision of combining traditional bunker broker service with the latest technology, and the positive development has continued after being acquired by USTC.

#### **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 sustainable growth, always maintaining a healthy balance between risk and reward, be it a strong organic growth or strategic alliances and acquisitions when the opportunities arise.

### **EXPECTATIONS FOR THE YEAR AHEAD**

The Group's level of activity, revenues and earnings are in general 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. This year, the COVID-19 pandemic presented significant challenges to the Group and its markets. This is not foreseen to continue at the same level in 2021/22, thus the expectations for the 2021/22 financial year are earnings slightly above the 2020/21 results.



**Under very  
trying conditions  
our employees  
worldwide have  
performed above  
and beyond all  
expectations and  
adapted impressively  
well to the ever-  
changing working  
conditions.**

# CORPORATE SOCIAL RESPONSIBILITY





The 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 areas

The Group has activities within five segments:

- ♦ Bunkers
- ♦ Ship owning
- ♦ Shipping and Logistics
- ♦ IT services
- ♦ Digital tools

Please see page 13 for further details.

#### Our main risk areas

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

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

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

## 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 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 2020 and 2021 this has been achieved in relevant subsidiaries through specific programmes on the subjects, including manuals and recurring training, and in selected subsidiaries the staff's mandatory annual completion of compliance e-learning.

Due to the COVID-19 pandemic, the Ship owning activities have not been able to conduct the annual officers' seminars. Instead, the Ship owning activities have kept all key personnel updated on their anti-corruptive procedures and values via monthly newsletters and bulletins to all crews, thereby ensuring that all are aware of and compliant with same.

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.





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

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

#### **Whistle-blower procedure**

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

### **DIVERSITY, HUMAN RIGHTS AND GENDER COMPOSITION**

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

### **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, internal management training programmes in USTC subsidiaries 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 turned 76.

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

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

#### ***Policy for the under-represented gender at other management levels***

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 2020/21 we have strived to ensure the under-represented gender is represented on the list of candidates at other management levels. The Ship owning activities' commitment to the Charter for More Women in Shipping signed in 2019 remained strong, and the Ship owning activities continue to

live up to their Charter obligations in both Denmark and the foreign offices with initiatives ranging from specific recruitment drives to more general inclusion work. Currently, women account for approx. 34% of all onshore employees in the Ship owning activities.

USTC Group has seen the first results of our strong recruitment process in the financial year and work to see even stronger results in 2021/22.

## **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.

To strengthen our focus even further, USTC Group is creating groupwide synergies by the establishment of USTC Group HR and Communications that are covering the entire portfolio of USTC companies. The new HR and Communications department was established early 2021 and is built on the existing set-up in the Group's Bunker activities.

Being the largest segment in the USTC Group, the Bunker activities have made a substantial investment in people and culture over the last years as a way to ensure continued profitable growth throughout their diverse value chain. Processes, systems, and structure have been professionalised to boost people development and performance. The team transitioned into the USTC organisation in January 2021 and formed a groupwide corporate function allowing the full USTC Group to benefit from its services and assistance and ensure the continued development of the USTC Group across its many growing value streams.

#### 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 certifies all vessels in the Ship owning activities in accordance with ILO's Maritime Labor Convention (MLC), in order to ensure the health, safety and working conditions of their employees. Moreover, the Ship owning activities strive to comply with all applicable international standards and conventions such as SOLAS, MARPOL and the International Maritime Organization (IMO).

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

USTC Group's Ship owning activities have 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 Ship owning activities have maintained their efforts to develop risk assessments and Toolbox Meetings prior to any new job to ensure the safety of its employees.

In 2020/21, all vessels in the Ship owning activities passed an international Safety Management (ISM) office audit conducted by Bureau Veritas with zero deficiencies and no remarks. The Ship owning activities also continues the change to ABS class for all vessels, so far without cause for concern.

USTC Group's Shipping & Logistics activities acknowledge the risks related to the handling and freighting of cargo and continue to focus on the employee's health and safety. All employees must follow the health and safety guidelines, which include the use of Personal Protection Equipment (PPE) and preventive actions. The Shipping & Logistics activities register any incidents that occur and have follow-up procedures in place, as well as reporting processes to ensure incident reporting to the relevant authorities. The Shipping & Logistics activities will continue to especially focus on proactive behaviour going forward, including reporting on near miss incidents to better their health and safety protocols and prevent injuries in the future, as well as promote their "Safety First" culture.

USTC Group focuses on continuously enhancing the health and safety of our employees as well as our premises on a global scale to be up to date on safety requirements and best practices.

#### QHSE Management

USTC Group is concerned about the safety of our employees, building and maintaining a safe working environment. For our specialised physical shipping activities that are part of the 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 several of our business units operate based on a QHSE Management System that meets the requirements of the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 international standards which are certified by DNV GL. Additionally, we are qualified in the Achilles Joint Qualification System (Achilles JQS) for suppliers to the Oil Industry in Norway and Denmark.



*Boringia Swan in Piraeus, a member of the Uni-Tankers fleet.*





## POLICIES AND ACTIVITIES

### Engagement process

USTC Group has always been committed to interact with our employees to create a world-class workplace. Our subsidiaries are conducting engagement processes to make sure that working in our Group is a motivating and satisfying experience. All managers are responsible for acting upon the feedback from their employees and committed to do so. This to harness the many learnings about what motivates our people to come to work every day.

During the COVID-19 pandemic, several subsidiaries conducted monthly pulse surveys to understand how employees were coping. The trend was clear through all surveys: Employees scored high on how well they felt supported by their immediate manager as well as by their company in general.

In a business that relies on motivated employees and dynamic teams, the pandemic and thus the global lockdown could have turned out to be a significant threat with employees sprinkled over 36 different countries on all continents, and at risk of being disconnected from headquarters, clients, suppliers, and colleagues, but the Group's responses to the crisis have forged an organisation that is stronger than ever.

We will continue to invest heavily in developing, attracting and attaining the best talents. This is key

to deliver on our strategic business ambitions going forward.

### Training

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

## 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. 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.

USTC Group recognises the certain risks regarding CO2 emissions from fuel combustion related to the Group's Shipping & Logistics activities being part of the transport industry. The transport sector is responsible for 24% of direct CO2 emissions from fuel combustion and, therefore, the Group's Shipping & Logistics activities have risks associated with stakeholder expectations and regulatory requirements regarding their CO2 emissions that require them to make an effort to reduce their emissions.

The Shipping & Logistics activities have invested in technological fleet management solutions to help reduce empty haulage and optimise utility of loads. Currently, the Shipping & Logistics activities are looking for partners that are interested in testing sustainable fuel solutions to move towards low-carbon fuel.

Aside from CO2 emissions, the Shipping & Logistics activities also monitors waste generation and have an internal goal of reaching a recycling rate of 60%. The Group's Shipping & Logistics activities aim to sort

and recycle as much waste as possible throughout their operations. Furthermore, the Shipping & Logistics activities also have a goal to continuously reduce the consumption of electricity, water and heating use in all their buildings to minimise our environmental footprint.

USTC 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 in our Ship owning activities.

USTC Group continuously strives to reduce the environmental impact related to the Group'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 optimize shipping operations by minimising the amounts of voyages as much as possible and focus on effective routes.

USTC Group aims to ensure safe transportation of environmentally hazardous goods in Ship owning activities via internal audits by ship inspectors, and external audits carried out by customers, flag states, port authorities, and business partners. Additionally, USTC Group's Ship owning activities ensure safe transportation of goods and continuous training of crew members in the handling of hazardous goods.

### Results related to environmental issues

To reduce fuel consumption, the Ship owning activities are continuously conducting tests via a control system on the main engines and propulsion systems. Additionally, the Ship owning activities continue to use an external supplier of weather routing to improve efficiency of transportation routes.

In 2020/21, the Ship owning activities initiated testing of a new fuel-savings system on 4 vessels with consideration of implementing on even more vessels. In addition, the Ship owning activities switched to a low-sulphur MGO (marine gasoil) fuel, thereby reducing their SOx emissions by all of 93% from 2019 to 2020.

Further, the Group's Ship owning activities continue to install new Ballast Water Treatment systems on all vessels and have thus far completed installation on 47% of the fleet compared to last year's 35%. Moreover, throughout the year the Ship owning activities have continued to apply only high-quality anti-fouling paint thereby minimising emissions.

With the growing interest in biofuels as an immediately available alternative energy source, the physical bunker business area recently announced that it is taking the necessary steps to support shipping companies in transition by beginning a biofuel bunkering operation. The physical bunker business area (Bunker One) will be offering ship-to-



ship biofuel bunkering for vessels operating in the Danish straits.

There are still many unanswered questions and uncertainties in connection with sustainable marine fuels, but Bunker One is confident that biofuel is a significant step in the right direction, as well as a necessary step for the Bunker activities being the world's largest bunker supplier.

As a first step, the physical bunker business areas's fuel tanker Amak Swan has commenced trials using biofuel in its engine. After rigorous quality control testing the physical bunker business area decided to proceed with the new B30 biofuel blend that consists of a second-generation bio feedstock. Initial calculations show that use of the biofuel resulted in a lowering of Amak Swan's well-to-wake CO2 emissions discharge by 26 percent. The testing of the product in the tanker's operations will ensure that clients receive a thoroughly tested quality product. It will also permit the company to provide detailed consultancy based on its results.

The tanker, with a total capacity of 3500 MT, has now begun offering delivery of biofuel to vessels passing the Danish straits in the Skaw and Gothenburg areas. The USTC Group and the Bunker activities in particular want to be a driver of green innovation and to provide sustainable solutions for the shipping industry. With the Group's global presence and

local expertise, the Bunker activities acknowledge their role as a vital facilitator in the transition to more sustainable fuel types, and plan to be able to implement solutions in other regions to meet the worldwide rise in demand for sustainable energy sources.

## POLICIES AND ACTIVITIES

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

Through our Bunker activities we will continue to take the lead in driving the transition to a more sustainable future. Our Bunker activities are currently involved in two ambitious and visionary projects aimed at transforming the shipping industry.

### Community engagement

USTC Group's work with corporate social responsibility is both global and local. As a global company, we recognise our moral obligation and our fortunate ability to give back to local communities on all continents and support those in need. At the

same time, we have devolved the decisions on which worthy causes and individuals to support to our local offices. Using their knowledge of the challenges and opportunities affecting their community, they support and donate to local charities that are close to their heart. (Having said that, national and global charities like Doctors of the World and Make a Wish also receive support from local offices).

The challenges of the past year have only made the work of charities even more urgent. Charity, healthcare, community building, and the environment are amongst the areas most often chosen to be supported by our global offices. In all cases, employees have shown engagement and passion in helping their communities.



*Unit IT is a full-service provider of IT infrastructure, operations and support of private and public cloud, supported by specialist units within business intelligence, data platform and cyber security.*





*From left: Peter Appel, Klaus Nyborg, Mia Østergaard Nielsen, Torben Østergaard-Nielsen, Nina Østergaard Borris, Torben Janholt, Morten H. Buchgreitz, Peter Frederiksen, and Peter Korsholm.*



## BOARD OF DIRECTORS

**KLAUS NYBORG**

Chairman

Born in 1963.  
Board member since 2012 and  
Chairman since 2014.  
Board management and invest-  
ment.

**Special competences**

Global experience with manage-  
ment of listed shipping companies  
incl. CEO of Pacific Basin Shipping,  
Hong Kong. Strategic and finan-  
cial expertise as well as in-depth  
knowledge of risk management.

**Other directorships**

Chairman of the boards in Norden  
A/S, Bawat A/S, Moscord Pte. Ltd.  
and the investment committee  
Maritime Investment Fund 1 K/S  
and Maritime Investment Fund 2  
K/S. Vice Chairman of the boards  
in Bunker Holding A/S, Uni-Tankers  
A/S and DFDS A/S. Member of the  
boards in Karen og Poul F. Hansens  
Familiefond, X- Press Feeders Ltd.  
and Norchem A/S. Director of Return  
ApS.

**Education**

MSc in Business & Law, Copenha-  
gen Business School supplemen-  
ted with management courses at  
London Business School and IMD.

**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 and bunker industry.

**Other directorships**

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

**Other**

German Honorary Consul from  
1988-2020. Member of Corps  
Consulaire since 1988.  
Member of Danske Bank  
Erhvervsråd.

**NINA ØSTERGAARD  
BORRIS**

Board member and owner

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

**Special competences**

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

**Other directorships**

Member of the boards in Uni-  
Tankers A/S, SDK FREJA A/S,  
Bunker Holding A/S and Unit  
IT A/S.

**Education**

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

**MIA ØSTERGAARD  
NIELSEN**

Board member and owner

Born in 1989.  
Board member since 2020.  
Owner of the USTC Group  
(A/S United Shipping &  
Trading Company).  
Associate, Spencer Stuart.

**Special competences**

Executive search and leader-  
ship assessments. Sparring  
partner for large CAP and PE  
owned companies on CFO  
talent pool as well as C-suite  
succession planning and  
psychometric testing and  
in-depth interviewing.

**Other directorships**

Member of the boards in  
Bunker Holding A/S and  
Uni-Tankers A/S.

**Education**

MSc in Human Resource  
Management supplemented  
by courses at Harvard Univer-  
sity and London School of  
Economics.

**TORBEN JANHOLT**

Board member

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

**Special competences**

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

**Other directorships**

Member of the boards in Bunker Holding A/S, Uni-Tankers A/S and Torm PLC (2015-2021).

**Education**

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

**MORTEN H. BUCHGREITZ**

Board member

Born in 1967.  
Board member since 2014.  
Member of the Group Executive Management of Ørsted A/S from 2002-2021 (Distribution and Customer Solutions).

**Special competences**

Extensive and in-depth knowledge and experience 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, Uni-Tankers A/S, K/S Habro-Lowestoft, K/S Meiderich and Aps Habro Komplementar-19.

**Education**

MSc in Business Administration and Computer Science.

**PETER FREDERIKSEN**

Board member

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

**Special competences**

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

**Other directorships**

Chairman of the Board in Sund & Bælt Holding A/S 2016-2021. Chairman/Vice Chairman of the Board in Oeresundsbro Konsortiet 2017-2021. Member of the boards in Bunker Holding A/S and Uni-Tankers A/S.

**Education**

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

**PETER KORSHOLM**

Board member

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

**Special competences**

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

**Other directorships**

Chairman of the boards in Lomax A/S and parent company, Nymølle Stenindustrier A/S and the Investment Committee of Zoscales Partners. Member of the boards in Bunker Holding A/S, Uni-Tankers A/S, DSVM Invest A/S and certain subsidiaries, DANX Holding I A/S and certain subsidiaries and Ørsted A/S.

**Education**

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

**PETER APPEL**

Board member

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

**Special competences**

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

**Other directorships**

Chairman of the boards in Deloitte Fonden, Clipper Group A/S, Fayard Holding Aps, Fayard A/S and Den Danske Sørenforening. Member of the boards in Bunker Holding A/S, Uni-Tankers A/S, SDK FREJA A/S, Clipper Group Ltd., BIMCO Informatique A/S, Norchem A/S, British Chamber of Commerce in Denmark, Søløvsudvalget and Maritime Development Center.

**Education**

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

## EXECUTIVE BOARD

**TORBEN ØSTERGAARD-NIELSEN**

CEO

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

**Special competences**

Extensive background and global experience within the shipping and bunker industry.

**Other directorships**

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

**Other**

German Honorary Consul from 1988-2020. Member of Corps Consulaire since 1988. Member of Danske Bank Erhvervsråd.

**NINA ØSTERGAARD BORRIS**

COO

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

**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, SDK FREJA A/S, Bunker Holding A/S and Unit IT A/S.

**Education**

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

**JAKOB SCHULTZ NIELSEN**

CFO

Born in 1980.  
Joined the USTC Group in 2009.  
Member of the Executive 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.

**Other directorships**

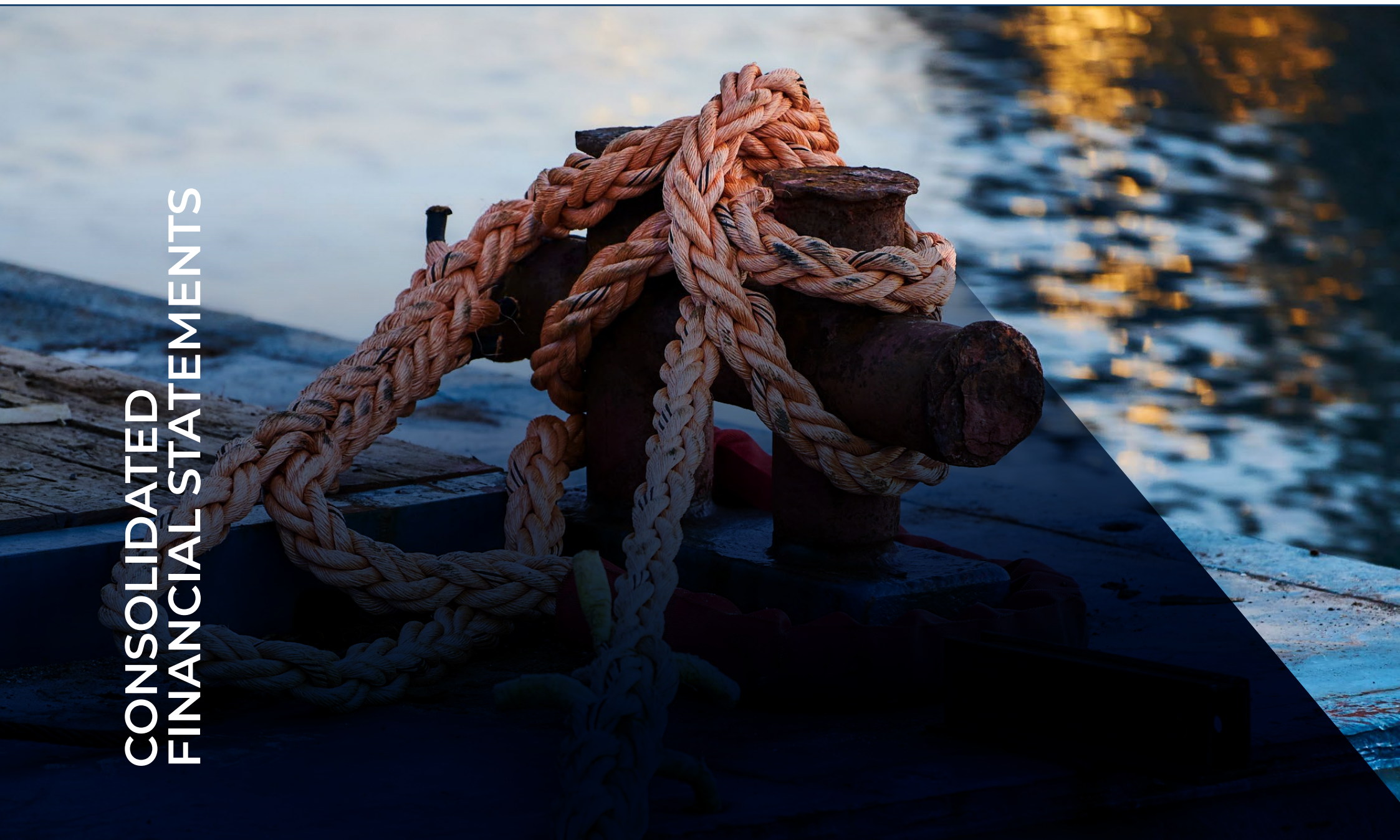
Member of the boards in Middelfart Bycenter A/S, VODA A/S, Selfpremises A/S, Selected Car Investment 1 A/S. Chairman of the board in Ejendomsselskabet DP 1 A/S.

**Education**

MSc in Business Administration and Auditing.



# CONSOLIDATED FINANCIAL STATEMENTS



## INCOME STATEMENT

1 MAY - 30 APRIL

DKK '000	Note	2020/21	2019/20
<b>Revenue</b>	1	65,597,706	76,325,662
Direct expenses		(62,634,057)	(72,448,134)
<b>Gross profit</b>		<b>2,963,649</b>	<b>3,877,528</b>
Other operating income		53,990	17,145
Other external expenses		(600,505)	(748,337)
Staff expenses	2	(1,445,464)	(1,501,445)
Depreciation, amortisation and impairment	5,6,7	(378,386)	(290,670)
<b>Profit before financial income and expenses</b>		<b>593,284</b>	<b>1,354,221</b>
Share of profit/loss in associated companies	8	13,626	13,575
Financial income	3	63,732	77,877
Financial expenses	3	(182,915)	(340,539)
<b>Profit before tax</b>		<b>487,727</b>	<b>1,105,134</b>
Corporation tax	4	(102,020)	(197,283)
<b>Net profit for the year</b>		<b>385,707</b>	<b>907,851</b>
<b>Attributable to:</b>			
Non-controlling interests		5,934	56
Shareholder in USTC		379,773	907,795
<b>Total</b>		<b>385,707</b>	<b>907,851</b>

## STATEMENT OF COMPREHENSIVE INCOME

1 MAY - 30 APRIL

DKK '000	Note	2020/21	2019/20
<b>Profit for the year</b>		<b>385,707</b>	<b>907,851</b>
<b>Items that may be reclassified to income statement</b>			
Fair value adjustment of derivative financial instruments	13	207,786	(203,118)
Exchange differences on translation of foreign operations		(231,280)	65,229
Other items		(6,075)	0
Income tax relating to these items		(46,794)	35,109
<b>Items that are not reclassified to income statement</b>		<b>0</b>	<b>0</b>
<b>Other comprehensive income</b>		<b>(76,363)</b>	<b>(102,710)</b>
<b>Total comprehensive income</b>		<b>309,344</b>	<b>805,141</b>
<b>Attributable to:</b>			
Non-controlling interests		8,000	359
Shareholder in USTC		301,344	804,072
<b>Total</b>		<b>309,344</b>	<b>805,141</b>

## STATEMENT OF FINANCIAL POSITION

DKK '000	Note	30 April 2021	30 April 2020	1 May 2019
<b>Non-current assets</b>				
Intangible assets	5	1,270,637	419,594	391,081
Property, plant and equipment	6	1,395,084	1,483,690	1,460,515
Right-of-use assets	7	1,023,403	436,277	413,275
Investments in associates	8	63,153	56,201	42,041
Securities		6,758	0	0
Other receivables		4,368	2,641	2,398
Deferred tax assets	4	69,666	64,951	63,427
<b>Total non-current assets</b>		<b>3,833,069</b>	<b>2,463,354</b>	<b>2,372,737</b>
<b>Current assets</b>				
Inventories	9	2,270,909	749,804	1,205,963
Trade receivables	12	6,596,419	4,649,923	6,495,835
Receivables from group enterprises		63,796	13,631	592
Receivables from associates		60,635	66,724	91,115
Other receivables		293,321	243,075	320,455
Prepayments		64,853	94,650	72,274
Corporation tax		96,206	126,726	99,801
Derivatives	10	440,233	2,023,808	747,485
Cash and cash equivalents		820,203	830,429	1,335,469
<b>Total current assets</b>		<b>10,706,575</b>	<b>8,798,770</b>	<b>10,368,989</b>
<b>Assets</b>		<b>14,539,644</b>	<b>11,262,124</b>	<b>12,741,726</b>



## STATEMENT OF FINANCIAL POSITION

### CONTINUED

DKK '000	Note	30 April 2021	30 April 2020	1 May 2019
<b>Equity</b>				
Share capital	14	4,900	4,900	4,900
Reserves		(112,702)	(47,898)	41,450
Retained earnings		2,919,623	3,153,870	2,564,650
<b>Equity, shareholders</b>		<b>2,811,820</b>	<b>3,110,871</b>	<b>2,611,090</b>
Non-controlling interests		158,413	1,200	1,452
<b>Equity</b>		<b>2,970,233</b>	<b>3,112,071</b>	<b>2,612,542</b>
<b>Non-current liabilities</b>				
Borrowings	12	1,701,934	1,474,771	1,523,972
Lease liabilities	7	794,687	325,137	301,075
Debt to non-controlling interests		100,000	0	0
Provisions		3,230	3,273	4,835
Put-option liability		137,541	0	0
Other payables		43,746	18,189	2,000
Deferred tax	4	115,479	40,036	33,941
<b>Total non-current liabilities</b>		<b>2,896,617</b>	<b>1,861,406</b>	<b>1,865,823</b>
<b>Current liabilities</b>				
Borrowings	12	2,152,010	1,832,294	2,487,653
Lease liabilities	7	278,713	118,009	116,207
Trade payables		4,741,875	2,860,637	4,179,883
Payables to group enterprises		5,497	9,728	93,833
Payables to associates		2,498	1,255	662
Corporation tax		123,771	176,960	93,985
Contract liabilities		7,869	12,944	16,348
Prepayments received		3,619	12,333	5,249
Provisions		1,026	0	0
Derivatives	10	719,831	693,303	848,062
Other payables		636,085	571,183	421,480
<b>Total current liabilities</b>		<b>8,672,794</b>	<b>6,288,646</b>	<b>8,263,362</b>
<b>Total liabilities</b>		<b>11,569,411</b>	<b>8,150,052</b>	<b>10,129,185</b>
<b>Total equity and liabilities</b>		<b>14,539,644</b>	<b>11,262,124</b>	<b>12,741,726</b>

## STATEMENT OF CHANGES IN EQUITY

1 MAY - 30 APRIL

DKK '000	Share capital	Hedging reserve	Foreign currency translation reserve	Reserve under the equity method	Retained earnings	Equity attributable to owners	Non-controlling interests	Total equity
<b>2020/21</b>								
Equity at 1 May	4,900	(151,897)	66,616	37,383	3,153,870	3,110,870	1,200	3,112,071
Earnings after tax (EAT)	0	0	0	13,626	366,147	379,773	5,934	385,707
Other comprehensive income net of tax	0	175,150	(249,484)	(4,095)	0	(78,429)	2,066	(76,363)
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>175,150</b>	<b>(249,484)</b>	<b>9,531</b>	<b>366,147</b>	<b>301,344</b>	<b>8,000</b>	<b>309,344</b>
Dividends to shareholders	0	0	0	0	(755,000)	(755,000)	(1,607)	(756,607)
Additions to non-controlling interests	0	0	0	0	0	0	136,531	136,531
Put-option liability related to non-controlling interests	0	0	0	0	(137,541)	(137,541)	0	(137,541)
Sale of subsidiary without changes in control	0	0	0	0	(14,782)	(14,782)	14,800	18
Transactions with non-controlling interests	0	0	0	0	1,929	1,929	(512)	1,417
<b>Total transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(600,394)</b>	<b>(600,394)</b>	<b>149,212</b>	<b>(451,182)</b>
<b>Equity at 30 April</b>	<b>4,900</b>	<b>23,252</b>	<b>(182,868)</b>	<b>46,914</b>	<b>2,919,623</b>	<b>2,811,821</b>	<b>158,412</b>	<b>2,970,233</b>
<b>2019/20</b>								
Equity at 1 May	4,900	18,717	0	22,823	2,564,650	2,611,090	1,452	2,612,542
Earnings after tax (EAT)	0	0	0	13,575	894,220	907,795	56	907,851
Other comprehensive income net of tax	0	(170,687)	66,616	985	0	(103,013)	303	(102,710)
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>(170,687)</b>	<b>66,616</b>	<b>14,560</b>	<b>894,220</b>	<b>804,782</b>	<b>359</b>	<b>805,141</b>
Dividends to shareholders	0	0	0	0	(305,000)	(305,000)	0	(305,000)
Other equity movements	0	0	0	0	0	0	(611)	(611)
<b>Total transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(305,000)</b>	<b>(305,000)</b>	<b>(611)</b>	<b>(305,611)</b>
<b>Equity at 30 April</b>	<b>4,900</b>	<b>(151,897)</b>	<b>66,616</b>	<b>37,383</b>	<b>3,153,870</b>	<b>3,110,870</b>	<b>1,200</b>	<b>3,112,071</b>



## CASH FLOW STATEMENT

1 MAY - 30 APRIL

DKK '000	Note	2020/21	2019/20
Earnings before tax (EBIT)		593,284	1,354,221
Amortisation and depreciation for the year		378,386	290,670
Changes in receivables		(1,998,811)	637,289
Changes in inventories		(1,643,349)	456,159
Changes in provisions		0	(1,562)
Changes in trade payables, other payables, etc		3,686,088	(1,383,281)
Other adjustments		(57,937)	(32,134)
<b>Cash flows from operating activities before financial items and tax</b>		<b>957,661</b>	<b>1,321,362</b>
Financial income received		45,134	77,877
Financial expenses paid		(183,153)	(340,539)
Corporation tax paid		(138,784)	(136,662)
Other adjustments		44,681	13,575
<b>Cash flows from operating activities</b>		<b>725,539</b>	<b>935,613</b>

DKK '000	Note	2020/21	2019/20
Business acquisition		(816,514)	(33,267)
Investment in associates		(1,340)	0
Purchase of intangible assets		(49,133)	(33,033)
Sale of intangible assets		0	1,058
Purchase of property, plant and equipment		(181,088)	(185,524)
Sale of property, plant and equipment		102,295	31,246
<b>Cash flows from investing activities</b>		<b>(945,780)</b>	<b>(219,520)</b>
Proceeds from borrowings and mortgage debt		1,051,792	25,039
Repayment of borrowings and mortgage debt		(173,740)	(833,047)
Principal elements of lease payments		(187,221)	(123,476)
Transactions with non-controlling interests		15,833	(611)
Capital increase		305,000	0
Dividend paid		(756,607)	(305,000)
Other adjustments		(45,041)	15,962
<b>Cash flows from financing activities</b>		<b>210,016</b>	<b>(1,221,133)</b>
<b>Change in cash and cash equivalents</b>		<b>(10,226)</b>	<b>(505,040)</b>
Cash and cash equivalents at 1 May		830,429	1,335,469
Change in cash and cash equivalents		(10,226)	(505,040)
<b>Cash and cash equivalents at 30 April</b>		<b>820,203</b>	<b>830,429</b>



*Bunker One, the physical bunker activity, part of Bunker Holding Group.*

## NOTES CONTENTS

Note 1 .....	Revenue	<b>42</b>
Note 2 .....	Staff expenses	<b>42</b>
Note 3 .....	Financial income and expenses	<b>43</b>
Note 4 .....	Taxes	<b>44</b>
Note 5 .....	Intangible assets	<b>46</b>
Note 6 .....	Property, plant and equipment	<b>50</b>
Note 7 .....	Right of use assets	<b>52</b>
Note 8 .....	Investments in associates	<b>53</b>
Note 9 .....	Inventories	<b>53</b>
Note 10 .....	Derivatives	<b>54</b>
Note 11 .....	Fair value	<b>55</b>
Note 12 .....	Financial instruments by category	<b>56</b>
Note 13 .....	Financial risks	<b>58</b>
Note 14 .....	Share capital	<b>63</b>
Note 15 .....	Contingent assets, liabilities and assets pledged as security	<b>65</b>
Note 16 .....	Other information	<b>66</b>
Note 17 .....	Change in liabilities arising from financing activities	<b>67</b>
Note 18 .....	Significant accounting estimates and judgements	<b>68</b>
Note 19 .....	Significant accounting policies	<b>69</b>
Note 20 .....	Business combinations	<b>76</b>
Note 21 .....	First time adoption of IFRS	<b>78</b>



**1 REVENUE** 1 MAY - 30 APRIL

DKK mill	2020/21	2019/20
Sale and mediation of bunkers	61,546	73,397
Shipping and Logistics	2,633	1,380
Ship owning	1,278	1,407
IT Services	141	136
Other activities	0	6
<b>Total</b>	<b>65,598</b>	<b>76,326</b>

**Revenue specified on geographical areas**

Europa	24,906	39,642
Asia	27,893	23,113
Americas	12,746	11,878
Other	53	1,693
<b>Total</b>	<b>65,598</b>	<b>76,326</b>

**Timing of revenue recognition**

Goods and services transferred at a point in time	61,460	73,171
Goods and services transferred over time	4,138	3,155
<b>Total</b>	<b>65,598</b>	<b>73,326</b>

**2 STAFF EXPENSES** 1 MAY - 30 APRIL

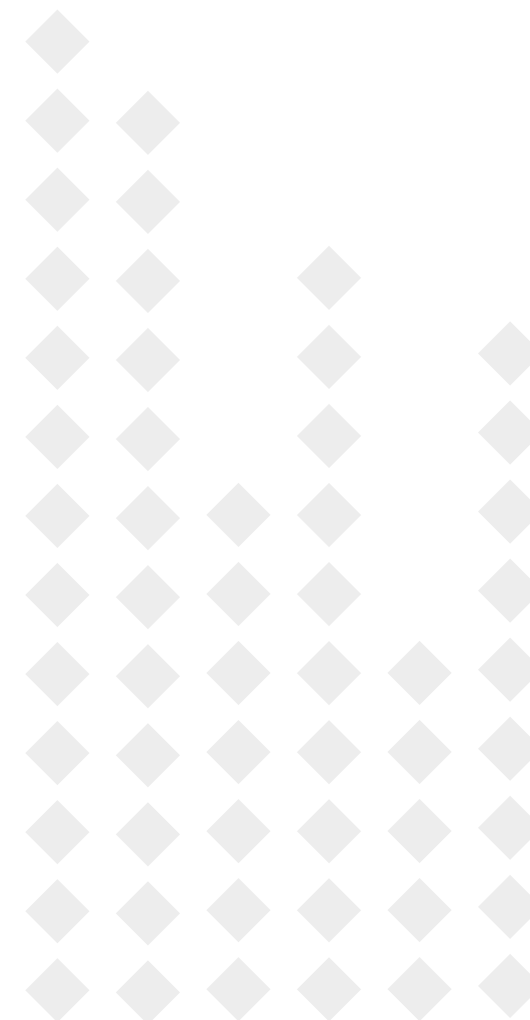
DKK '000	2020/21	2019/20
<b>Staff expenses</b>		
Hiring of crew	54,016	60,357
Wages and salaries	1,189,529	1,246,729
Pensions	75,187	55,077
Other social security expenses	126,732	139,282
<b>Total</b>	<b>1,445,464</b>	<b>1,501,445</b>
<b>Number of employees*</b>	<b>3,582</b>	<b>2,526</b>

\*) Calculated as annual full-time employees.

Key Management consists of Executive Board and Board of Directors. The compensation paid or payables to key management is shown in note 16..

**3 FINANCIAL INCOME AND EXPENSES** 1 MAY - 30 APRIL

DKK '000	2020/21	2019/20
Income from derivatives	14,165	0
Interest income on loans and receivables	36,622	57,410
Foreign exchange rate gains	12,895	19,707
Other financial income	50	760
<b>Financial income</b>	<b>63,732</b>	<b>77,877</b>
Interest from currency derivatives	0	27,621
Interest on debts and borrowings	144,961	281,632
Interest expenses from leases	17,459	12,451
Foreign exchange rate losses	629	2,888
Financial expenses from group enterprises	823	232
Securities, losses	17,463	14,073
Other financial expenses	1,580	1,642
<b>Financial expenses</b>	<b>182,915</b>	<b>340,539</b>



#### 4 TAXES 1 MAY - 30 APRIL

DKK '000	Income Statement	Other comprehensive income	Total
<b>2020/21</b>			
Current tax for the year	66,464	46,794	113,258
Current tax concerning previous years	3,354	0	3,354
Deferred tax concerning previous years	32,202	0	32,202
<b>Total tax for the year</b>	<b>102,020</b>	<b>46,794</b>	<b>148,814</b>
<b>2019/20</b>			
Current tax for the year	192,396	(35,109)	157,287
Current tax concerning previous years	(1,074)	0	(1,074)
Deferred tax for the year	5,961	0	5,961
Deferred tax concerning previous years	0	0	0
<b>Total tax for the year</b>	<b>197,283</b>	<b>(35,109)</b>	<b>162,174</b>

#### RECONCILIATION OF TAX EXPENSES

DKK '000	2020/21	2019/20
Profit before tax	487,727	1,105,134
Share of profit/loss in associated companies	(13,626)	(13,575)
Tonnage tax regime	21,932	(41,875)
Non-deductible expenses, net	4,365	6,591
Other adjustments	(22,705)	20,348
<b>Profit before tax adjusted</b>	<b>477,693</b>	<b>1,076,623</b>
Tax using the Danish corporation tax rate (22%)	(105,092)	(236,857)
Tax rate deviations in foreign jurisdictions	7,649	36,073
Adjustment to previous years taxes	(3,354)	1,074
Deferred tax assets previously not recognised, utilised	506	618
Other difference, net	(1,729)	1,809
<b>Total Income tax</b>	<b>(102,020)</b>	<b>(197,283)</b>



**DEFERRED TAXES**

DKK '000	2020/21	2019/20
Deferred tax at 1 May	24,915	29,486
Foreign exchange adjustments	(1,548)	1,272
Acquired in business combinations	(36,978)	118
Adjustment to previous years	0	0
Recognised in the income statement	(32,202)	(5,961)
<b>Deferred tax at 30 April</b>	<b>(45,813)</b>	<b>24,915</b>
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	69,666	64,951
Deferred tax liability	(115,479)	(40,036)
<b>Deferred tax at 30 April</b>	<b>(45,813)</b>	<b>24,915</b>

Deferred tax assets including the tax base of tax loss carry forwards are recognised at the amount by which they are estimated to reduce future tax payments.

Unused tax losses for which no deferred tax asset has been recognised amount to DKK 62.6 million in 2020/21 (2019/20: DKK 33.6 million). Unrecognised tax asset may be carried forward for an unlimited period of time, and it is uncertain whether the tax loss can be utilised.

**The balance comprises temporary differences attributable to:**

	Deferred tax assets		Deferred tax liabilities	
DKK '000	2020/21	2019/20	2020/21	2019/20
Intangible assets	513	13,356	(79,109)	(23,785)
Property, plant and equipment	12,461	3,827	(19,330)	(5,518)
Other assets	367	6,040	(5,163)	(9,106)
Provisions and other	19,217	9,833	(3,985)	(1,627)
Tax losses etc.	37,108	31,895	(7,892)	0
<b>Deferred tax at 30 April</b>	<b>69,666</b>	<b>64,951</b>	<b>(115,479)</b>	<b>(40,036)</b>
Expected to be used as follows				
Within 12 months	13,933	12,990	(23,096)	(8,007)
More than 12 months	55,733	51,961	(92,383)	(32,029)
<b>Total</b>	<b>69,666</b>	<b>64,951</b>	<b>(115,479)</b>	<b>(40,036)</b>

**5 INTANGIBLE ASSETS** 30 APRIL

DKK '000	Goodwill	Customer relationship	Brand	Acquired rights	Software	Completed development projects	Total
<b>2020/21</b>							
Cost at 1 May	293,031	227,963	0	117,685	144,100	8,340	791,119
Exchange rate adjustment	(8,980)	(23,371)	0	(12,130)	(15,082)	0	(59,563)
Additions	0	0	0	6,329	41,811	0	48,140
Acquired in business combinations	631,374	57,416	160,000	0	12,066	0	849,482
Disposals	(2,233)	0	0	0	(11,578)	0	(13,811)
<b>Cost at 30 April</b>	<b>913,192</b>	<b>262,008</b>	<b>160,000</b>	<b>111,884</b>	<b>171,317</b>	<b>8,340</b>	<b>1,626,741</b>
Amortisation at 1 May	0	208,938	0	99,779	54,847	7,961	371,525
Exchange rate adjustment	0	(21,671)	0	(10,162)	(5,307)	0	(37,140)
Amortisation	0	11,580	0	1,772	15,299	374	29,025
Reversed amortisation of disposals	0	0	0	0	(7,306)	0	(7,306)
<b>Depreciation at 30 April</b>	<b>0</b>	<b>198,847</b>	<b>0</b>	<b>91,389</b>	<b>57,533</b>	<b>8,335</b>	<b>356,104</b>
<b>Carrying amount at 30 April</b>	<b>913,192</b>	<b>63,161</b>	<b>160,000</b>	<b>20,495</b>	<b>113,784</b>	<b>5</b>	<b>1,270,637</b>

**INTANGIBLE ASSETS CONTINUED**

DKK '000	Goodwill	Customer relationship	Acquired rights	Software	Completed development projects	Total
<b>2019/20</b>						
Cost at 1 May	256,537	221,197	114,224	108,684	8,340	708,982
Exchange rate adjustment	3,348	6,766	3,461	3,662	0	17,237
Additions for the year	33,146	0	0	33,033	0	66,179
Transfers	0	0	0	(221)	0	(221)
Disposals for the year	0	0	0	(1,058)	0	(1,058)
<b>Cost at 30 April</b>	<b>293,031</b>	<b>227,963</b>	<b>117,685</b>	<b>144,100</b>	<b>8,340</b>	<b>791,119</b>
Amortisation at 1 May	0	180,125	91,734	38,947	7,095	317,901
Exchange rate adjustment	0	5,910	2,866	1,234	1	10,011
Amortisation	0	22,903	5,179	14,666	865	43,613
Reversed amortisation of disposals	0	0	0	0	0	0
<b>Depreciation at 30 April</b>	<b>0</b>	<b>208,938</b>	<b>99,779</b>	<b>54,847</b>	<b>7,961</b>	<b>371,525</b>
<b>Carrying amount at 30 April</b>	<b>293,031</b>	<b>19,025</b>	<b>17,906</b>	<b>89,253</b>	<b>379</b>	<b>419,594</b>



**INTANGIBLE ASSETS CONTINUED****GOODWILL ON CASH GENERATING UNITS**

DKK '000	2020/21	2019/20
Goodwill has been tested on the following CGU's:		
LQM Petroleum Services LLC	34,275	37,057
SDK FREJA	620,000	0
CGU with insignificant goodwill	258,917	255,974
<b>Carrying amount at 30 April 2020</b>	<b>913,192</b>	<b>293,031</b>

Goodwill is monitored by management at CGU level.

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on either fair value less cost to sell or value-in-use calculations. Both methods require the use of assumptions.

For the value-in-use calculation the cash flow projections are based on financial budgets and forecasts approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Goodwill on SDK Freja is based on a residual of the purchase price and the fair value of identifiable assets and liabilities at the acquisition date. The purchase price was determined based on an EBITDA multiple. The impairment test of the derived goodwill was performed by updating the purchase price estimate used in the pricing of the purchase of Freja at 29 December 2020. The development of all significant factors have been assessed and none of the factors have developed in an unfavorable direction, thus no impairment loss has been incurred."

**ASSUMPTIONS APPLIED IN THE IMPAIRMENT TESTS**

DKK '000	2020/21	2019/20
<b>LQM Petroleum Services LLC</b>		
Annual growth rate %	2.0 %	2.0 %
EBIT Margin %	31.0 %	30.0 %
Discount rate	5.9 %	8.5 %
<b>CGU's with insignificant goodwill</b>		
Annual growth rate %	Avg. 2.0 %	2.0 %
EBIT Margin %	Avg. 43.0 %	40.0 %
Discount rate	Avg. 6.7 %	9.3 %

Management has determined the values assigned to each of the above key assumptions as follows:

**Annual growth**

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

**EBIT margin**

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

**Discount rate**

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

During the impairment tests we have concluded that there were no impairment losses for 2020/21 (2019/20: DKK 0 million).

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





Amak Swan M/T (owned by Uni-Tankers and operated by Bunker One) bunkering at Skaw, Denmark.



**6 PROPERTY, PLANT AND EQUIPMENT** 30 APRIL

DKK '000	Land and buildings	Ships and equipment	Fixed assets under construction	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
<b>2020/21</b>						
Cost at 1 May	314,182	2,210,250	260,511	2,023	1,023	2,787,989
Exchange rate adjustment	1,195	(215,941)	(5,996)	(130)	64	(220,808)
Transfers	0	632	(4,873)	0	(632)	(4,873)
Additions	22,145	124,602	32,121	1,196	412	180,476
Acquired in business combinations	84,990	0	30,756	5,121	0	120,867
Disposals	(130,195)	(33,467)	(41,518)	0	0	(205,180)
<b>Cost at 30 April</b>	<b>292,317</b>	<b>2,086,076</b>	<b>271,001</b>	<b>8,210</b>	<b>867</b>	<b>2,658,471</b>
Depreciation and impairment at 1 May	104,048	1,003,101	196,046	1,104	0	1,304,299
Exchange rate adjustment	(1,514)	(102,131)	(5,446)	(72)	0	(109,163)
Depreciation	11,059	115,767	33,517	591	0	160,934
Reversed depreciation and impairments of disposals	(24,975)	(33,467)	(34,241)	0	0	(92,683)
<b>Depreciation and impairments at 30 April</b>	<b>88,618</b>	<b>983,270</b>	<b>189,876</b>	<b>1,623</b>	<b>0</b>	<b>1,263,387</b>
<b>Carrying amount at 30 April</b>	<b>203,699</b>	<b>1,102,806</b>	<b>81,125</b>	<b>6,587</b>	<b>867</b>	<b>1,395,084</b>



**PROPERTY, PLANT AND EQUIPMENT 30 APRIL CONTINUED**

DKK '000	Land and buildings	Ships and equipment	Fixed assets under construction	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
<b>2019/20</b>						
Cost at 1 May	257,186	2,145,838	238,828	1,238	379	2,643,469
Exchange rate adjustment	282	61,817	(396)	23	12	61,738
Additions	57,685	82,891	27,350	762	632	169,320
Additions through business combination	0	0	2,011	0	0	2,011
Disposals	(971)	(80,296)	(7,282)	0	0	(88,549)
<b>Cost at 30 April</b>	<b>314,182</b>	<b>2,210,250</b>	<b>260,511</b>	<b>2,023</b>	<b>1,023</b>	<b>2,787,989</b>
Depreciation and impairment at 1 May	95,036	917,642	169,378	898	0	1,182,954
Exchange rate adjustment	69	56,491	374	12	0	56,946
Depreciation	9,786	83,151	27,693	194	0	120,824
Additions through business acquisition	0	0	1,890	0	0	1,890
Reversed depreciation and impairments of disposals	(843)	(54,183)	(3,289)	0	0	(58,315)
<b>Depreciation and impairments at 30 April</b>	<b>104,048</b>	<b>1,003,101</b>	<b>196,046</b>	<b>1,104</b>	<b>0</b>	<b>1,304,299</b>
<b>Carrying amount at 30 April</b>	<b>210,134</b>	<b>1,207,149</b>	<b>64,465</b>	<b>919</b>	<b>1,023</b>	<b>1,483,690</b>

## 7 RIGHT OF USE ASSETS 30 APRIL

The balance sheets shows the following amounts relating to leases:

DKK '000	2020/21	2019/20
Land and buildings	602,818	249,706
Fixtures and fittings, tools and equipment	420,585	186,571
<b>Right-of-use assets at 30 April</b>	<b>1,023,403</b>	<b>436,277</b>

### Depreciation charge of right-of-use assets

Land and buildings	104,552	80,653
Fixtures and fittings, tools and equipment	83,873	45,687
<b>Total</b>	<b>188,425</b>	<b>126,340</b>

Interest expense (included in finance cost)	17,459	12,451
Expenses relating to short-term leases	843,232	665,121
Additions to right-of-use assets	263,497	145,794
Additions to right-of-use from business combinations	537,474	0
Total cash outflow for leases	926,966	709,470
Future cashflow from committed leases with commencement date in the following years	82,434	152,326

The following table sets out lease liabilities split into current and non-current liabilities:

DKK '000	2020/21	2019/20
Non-current lease liabilities	794,687	325,137
Current liabilities	278,713	118,009
<b>Lease liabilities at 30 April</b>	<b>1,073,400</b>	<b>443,146</b>

For the maturity analysis of lease payments please refer to note 13.

USTC operates as lessor, primarily related to time charter contracts.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

Operating leases		
DKK '000	2020/21	2019/20
Less than one year	88,169	141,898
One to two years	49,287	68,425
Two to three years	28,306	51,039
Three to four years	10,748	30,063
Four to five years	0	11,977
More than five years	0	0
<b>Total undiscounted lease receivables</b>	<b>176,510</b>	<b>303,402</b>

## 8 INVESTMENTS IN ASSOCIATES 30 APRIL

The Group owns interest in a number of associates which are not individually considered material from the Group.

DKK '000	2020/21	2019/20
Cost at 1 May	18,818	19,218
Exchange adjustments	(1,756)	(554)
Additions for the year	0	163
Disposals for the year	(823)	(9)
<b>Cost at 30 April</b>	<b>16,239</b>	<b>18,818</b>
Value adjustments at 1 May	37,383	22,823
Exchange rate adjustment	(4,095)	985
Share of profit for the year	13,626	13,575
<b>Value adjustments at 30 April</b>	<b>46,914</b>	<b>37,383</b>
<b>Carrying amount at 30 April</b>	<b>63,153</b>	<b>56,201</b>

## 9 INVENTORIES 30 APRIL

DKK '000	2020/21	2019/20
Bunkers	2,269,913	748,823
Other	996	981
<b>Total inventory</b>	<b>2,270,909</b>	<b>749,804</b>

Write-downs of inventory to net realisable value have been recognised as an expense during the year and included in direct expenses in the statement profit or loss.





## 10 DERIVATIVES 30 APRIL

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

	2020/21		2019/20	
DKK '000	Assets	Liabilities	Assets	Liabilities
Commodity swaps	14,382,998	(14,402,945)	6,846,086	(5,321,990)
Commodity futures	2,415,377	(2,280,277)	4,822,689	(6,184,800)
Fixed price physical	22,538	0	48,909	0
Commodity options	43,691	(42,713)	287,560	(283,167)
Interest rate hedge	0	(3,797)	0	(13,146)
"Forward foreign exchange contracts"	0	(64,439)	92,640	0
<b>Gross balance</b>	<b>16,864,604</b>	<b>(16,794,171)</b>	<b>12,097,914</b>	<b>(11,803,104)</b>

### Balances qualifying for offsetting

"Commodity swaps, -futures and -options"	(15,961,372)	15,961,372	(8,429,068)	8,429,068
<b>Net balance</b>	<b>903,232</b>	<b>(832,799)</b>	<b>3,668,846</b>	<b>(3,374,034)</b>
Margin deposits	(462,999)	112,968	(1,645,039)	2,680,731
<b>Amounts presented in the balance sheet</b>	<b>440,233</b>	<b>(719,831)</b>	<b>2,023,807</b>	<b>(693,303)</b>
Amounts with right of set-off	(135,832)	135,832	(351,126)	351,126
<b>Net exposure</b>	<b>304,401</b>	<b>(583,999)</b>	<b>1,672,681</b>	<b>(342,177)</b>

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

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

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

**11 FAIR VALUE** 30 APRIL

DKK '000	Level 1	Level 2	Level 3	Total
<b>2020/21</b>				
<b>Financial assets</b>				
Derivatives	2,532,228	14,316,220	16,156	16,864,604
Securities	0	0	6,758	6,758
<b>Total</b>	<b>2,532,228</b>	<b>14,316,220</b>	<b>22,914</b>	<b>16,871,362</b>
<b>Financial liabilities</b>				
Derivatives	(2,351,233)	(14,442,938)	0	(16,794,171)
<b>Total</b>	<b>(2,351,233)</b>	<b>(14,442,938)</b>	<b>0</b>	<b>(16,794,171)</b>
<b>2019/20</b>				
<b>Financial assets</b>				
Derivatives	5,385,416	6,663,596	48,902	12,097,914
Securities	0	0	0	0
<b>Total</b>	<b>5,385,416</b>	<b>6,663,596</b>	<b>48,902</b>	<b>12,097,914</b>
<b>Financial liabilities</b>				
Derivatives	(6,405,432)	(5,397,672)	0	(11,803,104)
<b>Total</b>	<b>(6,405,432)</b>	<b>(5,397,672)</b>	<b>0</b>	<b>(11,803,104)</b>

**Fair value hierarchy – Financial instruments measured at fair value**

Financial instruments measured at fair value comprise only derivatives and can be divided into three levels:

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Neither were there any transfers into or out of level 3.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

**Level 1**

Quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2**

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). To a large extent level 2 is based on observable quoted prices, however in some instances forward prices are not observable. In these situations we use the most liquid forward curves and derive a spread to the specific location. For options theoretical pricing models with implied volatilities are used to calculate market prices.

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

**Level 3**

Inputs for the asset or liability that are not based on observable market data. Fair value of listed securities falls within level 1 of the fair value hierarchy. Non-listed shares and other securities fall within level 3 of the fair value hierarchy.

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

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

**Valuation techniques used to determine fair values**

Specific valuation techniques used to value financial instruments include:

- for commodity futures – the use of quoted market prices or dealer quotes for similar instruments
- for interest rate swaps – the present value of the estimated future cash flows based on observable yield curves
- for foreign commodity swaps and forward exchange contracts – the present value of future

**11 FAIR VALUE 30 APRIL CONTINUED**

- re cash flows based on the forward exchange rates at the balance sheet date
- for commodity options – option pricing models (eg. Black-scholes model), and
- for other financial instruments – discounted cash flow analysis.
- for securities – quoted prices for similar securities or discounted present value analysis.

All of the resulting fair value estimates are included in level 2, except for certain derivative contracts, where the fair values have been determined based on present values and the discount rate used were adjusted for counterparty or own credit risk.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including:

- current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

All resulting fair value estimates for properties are included in level 3.

**Financial instruments carried at fair value**

The Group has entered into financial bunker sale agreements with customers with the bunker price in places where the price is not observable as the underlying. Fair value is determined as the present value of the difference between the price fixed in the agreement and the forward price for the same quality of bunker in a liquid place (Rotterdam, Singapore) with the addition of an estimated spread between the liquid place and the place of delivery under the contract for the same quality of bunker and an estimated margin. The spread is determined on the basis of an analysis of the historical difference between the actual price in the liquid place and available price observations for the place of delivery. The margin is estimated to be equal to the margin on inception of the contract over the term of the agreement. Refer to note 10 for further information.

**12 FINANCIAL INSTRUMENTS BY CATEGORY 1 MAY - 30 APRIL**

Categories of financial assets and liabilities as defined in IFRS 9. The classification depends on the purpose for which the investments were made.

Management determines the classification of its investments on initial recognition and reevaluates this at the end of every reporting period to the extent that such a classification is permitted and required.

**Financial instruments carried at amortised cost**

Fair value of the short term financial assets and other financial liabilities carried at amortised cost is not materially different from the carrying amount.

In general, fair value is determined primarily based on the present value of expected future cash flows, discounted with an interest rate reflecting the credit rating of the company. Where a market price was available, however, this was deemed to be the fair value.

Fair value of borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows. The carrying amount of financial liabilities measured at amortised cost is not considered to differ significantly from fair value.



**12 FINANCIAL INSTRUMENTS BY CATEGORY** 1 MAY - 30 APRIL CONTINUED

DKK '000	Fair value through profit or loss	Amortised cost	Total
<b>2020/21</b>			
<b>Financial assets</b>			
Trade and other receivables	3,163	7,018,539	7,021,702
Derivative financial instruments	440,233	0	440,233
Securities	6,758	0	6,758
Cash and cash equivalents	0	820,203	820,203
<b>Total financial assets</b>	<b>450,154</b>	<b>7,838,742</b>	<b>8,288,896</b>
<b>Financial liabilities</b>			
Trade and other payables	0	5,667,242	5,667,242
Borrowings	0	3,853,944	3,853,944
Lease liabilities	0	1,073,400	1,073,400
Derivative financial instruments	719,831	0	719,831
<b>Total financial liabilities</b>	<b>719,831</b>	<b>10,594,586</b>	<b>11,314,417</b>
<b>Total</b>			<b>(3,025,521)</b>

DKK '000	Fair value through profit or loss	Amortised cost	Total
<b>2019/20</b>			
<b>Financial assets</b>			
Trade and other receivables	4,416	4,975,994	4,980,410
Derivative financial instruments	2,023,808	0	2,023,808
Securities	0	0	0
Cash and cash equivalents	0	830,429	830,429
<b>Total financial assets</b>	<b>2,028,224</b>	<b>5,806,423</b>	<b>7,834,647</b>
<b>Financial liabilities</b>			
Trade and other payables	0	3,460,992	3,460,992
Mortgage debt and borrowing	0	3,307,065	3,307,065
Lease liabilities	0	443,146	443,146
Derivative financial instruments	693,303	0	693,303
<b>Total financial liabilities</b>	<b>693,303</b>	<b>7,211,203</b>	<b>7,904,506</b>
<b>Total</b>			<b>(69,859)</b>

### 13 FINANCIAL RISKS 30 APRIL

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

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

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

The below sensitivity analyses relate to the position of financial instruments at 30 April 2021.

#### Currency risk

The functional currency of two of the largest entities in the Group, Bunker Holding and Uni Tankers, is USD and thus all amounts are recorded in USD but reported in DKK, as DKK is the reporting currency of the Group. However, payments of local costs such as office expenses, local taxes, local employee compensation and GST/VAT payments may be denominated in local currency. In some limited locations, suppliers are paid in local currency. The largest gross exposures are to the Singapore Dollar, Danish Krone and Euro. However the risk management policy requires the use of hedging strategies to mitigate the impact of foreign currency exchange risk. Group entities, other than Bunker Holding and Uni-tankers, primarily have transactions in Danish Kroner or Euro which is also their functional currency. Therefore, the net exposure to foreign currency exchange risk is insignificant.

The Group is primarily exposed to changes in the exchange rate of EUR, NOK and SEK.

An increase in all exchange rates of 10% against DKK in which the Group is exposed to is estimated to have a negative impact on the Group's EBT by DKK 29.6 million (2019/20: negative impact of DKK 8.6 million) and to affect the Group's equity, excluding tax, negatively by DKK 23.1 million (2019/20: negative impact of DKK 6.7 million).

The sensitivities are based only on the impact of financial instruments that are outstanding at the balance sheet date and are thus not an expression of the Group's total currency risk.

#### Interest rate risk

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

A general increase in interest rates by one percentage point is estimated, all other things being equal, to have a negative impact on profit before tax and equity, excluding tax by

DKK 4.1 million (2019/20: negatively by DKK 2.9 million), as a result of higher interest cost on borrowings.

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

### NET INTEREST-BEARING DEBT

DKK '000	2020/21	2019/20
<b>Non-current liabilities</b>		
Borrowing	1,701,934	1,474,771
Leasing liabilities	794,687	325,137
<b>Current liabilities</b>		
Borrowings	2,152,010	1,832,294
Leasing liabilities	278,713	118,009
<b>Interest-bearing debt</b>	<b>4,927,344</b>	<b>3,750,211</b>
<b>Assets</b>		
Cash and cash equivalents	820,203	830,429
<b>Interest-bearing assets</b>	<b>820,203</b>	<b>830,429</b>
<b>Net interest-bearing debt</b>	<b>4,107,141</b>	<b>2,919,782</b>

#### Oil price risk

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

Here the oil price exposure of such contracts is always hedged to mitigate any oil price risk

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

The overall risk limit set in the policy is defined by a maximum net open (unhedged) position for the Group and for the individual companies involved in physical exposure having a limit for open oil-price-risk.

The sensitivity of the consolidated net open position is calculated every day on a 1 day Value-at-Risk basis, based on a confidence level of 95% and 500 days of historical observations. Measured on these terms Value-at-Risk was respectively DKK 3.1 million and DKK 0.7 million for 2020/21 and 2019/20.

The Bunker Holding Group is exposed to oil price risk arising from future purchases and sales of bunkers and from bunker inventories. The Bunker Holding Group regularly enters into financial derivatives to hedge this risk. The risk is measured as the net open position until April 2024.

The Bunker Holding Group designates the spot component of oil futures and swaps as the hedging instrument. The changes in the forward element that relate to the hedged item ('aligned forward element') are deferred in the costs of hedging reserve and recognised against the related hedged transaction when it occurs. The forward element relates to the respective hedged item if the critical terms of the forward or swap are aligned with the hedged item. Any residual time value and forward points (the non-aligned portion) are recognised in the statement of profit or loss. During the years ending 30 April 2021 and 2020, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

The spot component of forward contracts is determined with reference to relevant spot market prices. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward point. The effects of applying hedge accounting on the company's financial.

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

#### OIL FUTURES AND SWAPS HEDGING FUTURE SALES OF OIL

	2020/21	2019/20
Notional amount (MTS)	23,042	105,641
Carrying amount, assets (DKK'000)	21,338	0
Carrying amount, liabilities (DKK'000)	(1,139)	3,630
Maturity dates	May '21-Dec '21	May '20-Dec '21
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (DKK'000)	42,547	0
Change in value of hedged item used to determine hedge effectiveness (DKK'000)	42,547	0
Weighted average hedge price per metric tonne included forward points (USD)	391.3	271.11

The carrying amount of DKK 42.5 million (2019/20: DKK 0.0 million) has been netted with carrying amount of the oil futures and swap hedging futures purchased of oil. Net carrying amount is positive DKK 43.1 million (2019/20: DKK 0.0 million).



**13 FINANCIAL RISKS 30 APRIL CONTINUED****OIL FUTURES AND SWAPS HEDGING FUTURE PURCHASES OF OIL**

	2020/21	2019/20
Notional amount (MTS)	2,400	(9,588)
Carrying amount, assets (DKK'000)	677	0
Carrying amount, liabilities (DKK'000)	0	82
Maturity dates	May '21	May '20
Hedge ratio	0	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (DKK'000)	757	(82)
Change in value of hedged item used to determine hedge effectiveness (DKK'000)	757	(82)
Weighted average hedge price per metric tonne included forward points (USD)	487.75	235.45

The carrying amount of DKK 42.5 million (2019/20: DKK 0.0 million) has been netted with carrying amount of the oil futures and swap hedging future purchases of oil. Net carrying amount is positive DKK 43.1 million (2019/20: DKK 0.0 million).

**OIL FUTURES AND SWAPS HEDGING INVENTORY**

	2020/21	2019/20
Notional amount (MTS)	(384)	(292,532)
Carrying amount, assets (DKK'000)	1,077	103,750
Carrying amount, liabilities (DKK'000)	0	0
Maturity dates	May '21-Dec '23	May'20 -Dec '23
Hedge ratio	0	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (DKK'000)	(198,708)	103,743
Change in value of hedged item used to determine hedge effectiveness (DKK'000)	(198,708)	103,743
Weighted average hedge price per metric tonne included forward points (USD)	435.58	288.47

DKK '000	2020/21	2019/20
<b>Cash flow hedging reserve</b>		
Fair value 1 May	(93,552)	5,149
Fair value changes deferred for the year	40,157	(135,482)
Reclassified to sales	35,825	37,899
Reclassified to costs of goods sold	7,311	485
Exchange rate adjustment	7,206	(1,603)
<b>Fair value 30 april</b>	<b>(3,053)</b>	<b>(93,552)</b>

**Cost of hedging reserve**

Fair value 1 May	(94,067)	13,395
Fair value changes deferred for the year	178,321	(92,278)
Reclassified to sales	0	0
Reclassified to costs of goods sold	(34,046)	(13,743)
Exchange rate adjustment	5,657	(1,441)
<b>Fair value 30 april</b>	<b>55,865</b>	<b>(94,067)</b>

**Total of hedging reserve**

Fair value 1 May	(187,619)	18,717
Fair value changes deferred for the year	218,478	(227,760)
Reclassified to sales	35,825	37,899
Reclassified to costs of goods sold	(26,736)	(13,258)
Exchange rate adjustment	12,865	(3,218)
<b>Fair value 30 april</b>	<b>52,813</b>	<b>(187,619)</b>

**Liquidity risk**

Funding and adequate liquidity are fundamental factors in driving an expanding business, and management of both is an integrated part of the Group's continuous budget and forecasting process.

To ensure focus on managing the risks related to funding and liquidity, the Group's Treasury department manages and monitors funding and liquidity for the entire Group and ensures sufficient cash and bank credit facility reserves to enable the Group to meet the operating liquidity needs, having an adequate amount of committed credit facilities and monitoring forecast and actual cash flow by matching the maturity profiles.

The borrowings are primarily based on loan facilities committed by the banks for a 3-year period ending April 2024. The financing is granted as overdraft facilities without an agreed repayment profile.

The Group's borrowings are subject to standard clauses, according to which the Group's debt must be repaid in case of a change of control. The credit facilities with banks are furthermore subject to a few covenants focusing on the group's ability to generate sufficient cash flow and meet its obligations.

The covenants have not been breached in 2020/21, nor were they breached in 2019/20.

It is crucial for the Group to maintain a financial reserve to cover the Group's obligations and investment opportunities and to provide the capital necessary to offset changes in the Group's liquidity due to changes in the cash flow from operating activities. At 30 April 2021 the group had total unutilised credit facilities of DKK 3,435.5 million (2019/20: DKK 5,514.7 million). Besides the unutilised credit facilities the Group has factoring lines and inventory financing facilities of DKK 3,770.9 million (2019/20: DKK 2,703.3 million).

**Maturities of liabilities and commitments**

The tables below detail the group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

DKK '000	Carrying amount	0-1 year	1-5 year	after 5 years	Total
<b>2020/21</b>					
Borrowings	3,853,944	2,184,716	1,379,112	395,685	3,959,513
Lease liabilities	1,073,400	291,930	636,688	241,004	1,169,622
Payables to related parties	7,995	7,995	0	0	7,995
Trade payables	4,741,875	4,741,875	0	0	4,741,875
Other payables	917,372	642,526	280,972	705	924,203
Derivatives	719,831	719,831	0	0	719,831
<b>Financial instruments</b>	<b>11,314,417</b>	<b>8,588,873</b>	<b>2,296,772</b>	<b>637,394</b>	<b>11,523,039</b>
<b>Total</b>	<b>11,314,417</b>	<b>8,588,873</b>	<b>2,296,772</b>	<b>637,394</b>	<b>11,523,039</b>
<b>2019/20</b>					
Borrowings	3,307,065	1,856,440	1,158,919	431,702	3,447,061
Lease liabilities	443,146	137,674	325,609	56,340	519,623
Payables to related parties	10,983	10,983	0	0	10,983
Trade payables	2,860,637	2,860,637	0	0	2,860,637
Other payables	589,372	583,372	6,000	0	589,372
Derivatives	693,303	673,128	20,175	0	693,303
<b>Financial instruments</b>	<b>7,904,506</b>	<b>6,122,234</b>	<b>1,510,703</b>	<b>488,042</b>	<b>8,120,979</b>
<b>Total</b>	<b>7,904,506</b>	<b>6,122,234</b>	<b>1,510,703</b>	<b>488,042</b>	<b>8,120,979</b>

**13 FINANCIAL RISKS 30 APRIL CONTINUED****Credit risk**

The Group is exposed to credit risk relating to its customers, and all customers and other business partners are credit rated regularly in accordance with the Group's policy for assuming credit risks. Thorough internal procedures are in place to minimise the credit risks and the international conventions for obtaining maritime lien for bunker deliveries mitigate the negative impact from defaulting payers. In addition, the Group insures the credit risk on certain receivables where considered adequate due to the credit worthiness of the counter party or the size of the credit exposure.

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

The ageing of receivables is as follows:

DKK '000	Trade receivables	Provision for impairment		Net trade receivables
2020/21				
Receivables not due	5,308,694	0.2%	(10,574)	5,298,120
Less than 90 days overdue	1,051,134	1.0%	(10,798)	1,040,336
More than 90 days overdue	315,884	18.3%	(57,922)	257,962
COVID-19 impairment			0	0
Carrying amount	6,675,712	1.2%	(79,294)	6,596,419
2019/20				
Receivables not due	3,450,485	0.5%	(17,549)	3,432,936
Less than 90 days overdue	1,082,583	1.4%	(14,772)	1,067,810
More than 90 days overdue	309,810	19.5%	(60,511)	249,299
COVID-19 impairment			(100,122)	(100,122)
Carrying amount	4,842,878	4.0%	(192,954)	4,649,923

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired receivables.

DKK '000	2020/21	2019/20
Incurred losses	(198,005)	(98,987)
Movement in expected credit losses	100,920	(80,476)
Reversal of previous incurred losses	14,640	15,866
<b>Loss recognised in the income statement</b>	<b>(82,445)</b>	<b>(163,597)</b>

During the year, the following movement in provision were recognised in balance in relation to impaired receivables:

DKK '000	2020/21	2019/20
Opening loss allowance 1 May	(192,954)	(107,874)
Movement in provision for impairment	101,020	(80,476)
Business combinations	(3,907)	(26)
Exchange rate adjustment	16,547	(4,578)
<b>Carrying amount at 30 April</b>	<b>(79,294)</b>	<b>(192,954)</b>

Individual receivables, which are known to be uncollectible, are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there has been a significant increase in the credit risk since their initial recognition. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

Covid-19 had in 2019/20 a significant impact on our customer who experienced a decrease in demand, and for many a drop in capacity utilisation. To accommodate for this higher than usual risk, a separate provision was included to cover losses related to Covid-19. This provision has been fully utilised or reversed during 2020/21.

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

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are likewise credited within other expenses.



## 14 SHARE CAPITAL

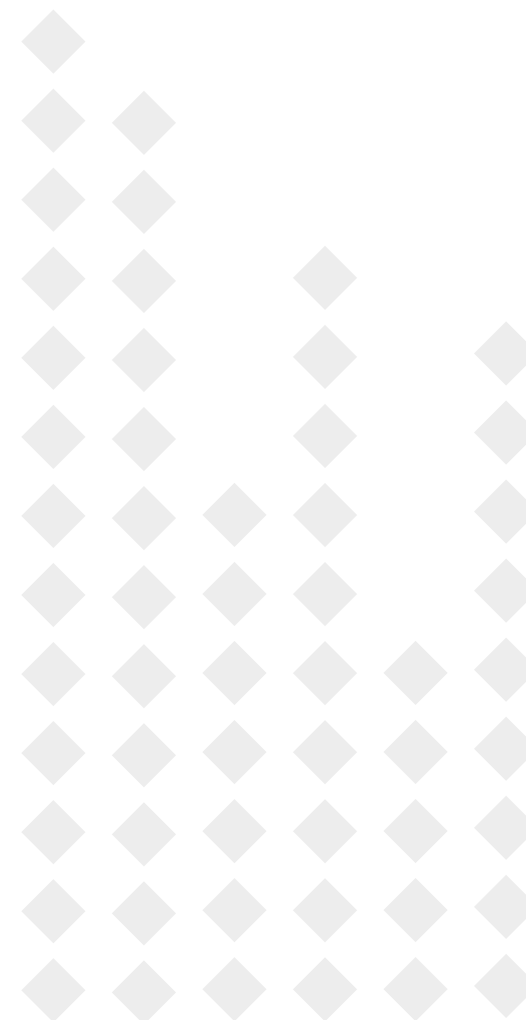
---

At year end the share capital consists of 1 share with a par value of DKK 4.9 million. The share capital is unchanged relatively to 30 April 2020.

The Board of Directors proposes a dividend to the shareholders of DKK 0 per share – a total of DKK 0. In 2020/21 an extraordinary dividend, was paid of DKK 755 million.

Comparative the Board of Directors proposes a dividend to the shareholders of DKK 205 million in 2019/20. In 2019/20 an extraordinary dividend, was paid of DKK 100 million.

---





*Bunker One, the physical bunker activity, part of Bunker Holding Group.*





**15 CONTINGENT ASSETS, LIABILITIES AND ASSETS PLEDGED AS SECURITY** 30 APRIL

DKK '000	2020/21	2019/20
<b>ASSETS PLEDGED AS SECURITY</b>		
<b>Security</b>		
As security for long-term debt, letters of indemnity have been provided in ships and equipment	613,159	753,829
At the balance sheet date, the carrying amount of the assets provided as security was	995,754	1,110,325
As security bank facility, a mortgage deed registered 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	107,051	96,824
As security for bank debt, company charge has been provided in receivables, machinery, etc.	0	18,705
As security for bank facility, a charged has been granted on the Company's ships under construction	58,000	58,000
At the balance sheet date, the carrying amount of the assets provided as security was	107,051	96,824
Carrying amount of land and buildings provided as security for debt to mortgage credit institutes	95,276	135,049
Deposited owner's mortgage on buildings on owned and leased land has been provided as security for balance with mortgage credit and credit institutions	4,111	4,111
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	0	43,455
Guarantee obligations	0	10,899
<b>Contingent liabilities</b>		
Deferred tax concerning ship owning company registered under the Tonnage Tax Scheme	19,104	21,286

**Events occurring after the reporting period**

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

**Contingent liabilities and contingent assets**

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

**Change of control**

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



**16 OTHER INFORMATION** 1 MAY - 30 APRIL**Related parties**

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

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

Controlling interest is exercised through the Company's immediate Parent Company, Selfinvest ApS. The Company's ultimate Parent Company which prepares Consolidated Financial Statements is SelfGenerations T ApS, in which Torben Østergaard-Nielsen, CEO, exercises control.

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

**Transactions with related parties**

The following transactions occurred with related parties.

DKK '000	Key Management	Parent company	Associated companies
<b>2020/21</b>			
<b>Income statement</b>			
Revenue	0	0	23,337
Operation costs	(2,564)	0	(10,615)
Other external expenses	0	0	437
Financial, net	0	(823)	1,487
<b>Assets</b>			
Trade receivables	0	63,796	1,625
Deposits	0	0	59,010
<b>Liabilities</b>			
Trade payables	0	(5,947)	(2,498)
Dividend paid	0	(755,000)	0

DKK '000	Key Management	Parent company	Associated companies
<b>2019/20</b>			
<b>Income statement</b>			
Revenue	0	0	42,395
Operation costs	(1,307)	0	(10,804)
Financial, net	0	(232)	3,357
<b>Assets</b>			
Trade receivables	0	16,631	6,733
Deposits	0	0	59,991
<b>Liabilities</b>			
Trade payables	0	(9,728)	(1,255)
Dividend paid	0	(305,000)	0

There have been no transactions with key management personnel in 2020/21 and 2019/20 other than ordinary remunerations, as described in this note and the financial statements for the Parent Company.

**17 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES** 30 APRIL

DKK '000	Mortgage debt*	Bank loans*	Lease liabilities	Credit facilities*	Total
<b>2020/21</b>					
Net debt as at 1 May 2020	<b>134,554</b>	<b>3,145,690</b>	<b>443,146</b>	<b>26,821</b>	<b>3,750,211</b>
Proceeds	52,963	914,902	0	83,927	1,051,792
Repayment	(35,888)	(137,852)	(187,221)	0	(360,961)
<b>Cash flows</b>	<b>17,075</b>	<b>777,050</b>	<b>(187,221)</b>	<b>83,927</b>	<b>690,831</b>
New leases	0	0	291,070	0	291,070
Business combinations	0	0	537,474	0	537,474
Foreign exchange adjustment	(2,416)	(328,726)	(11,069)	(697)	(342,908)
Other	0	666	0	0	666
<b>Non-cash flows</b>	<b>(2,416)</b>	<b>(328,060)</b>	<b>817,475</b>	<b>(697)</b>	<b>486,302</b>
<b>Net debt as at 30 April 2021</b>	<b>149,213</b>	<b>3,594,680</b>	<b>1,073,400</b>	<b>110,051</b>	<b>4,927,344</b>
<b>2019/20</b>					
Net debt as at 1 May 2019	<b>130,185</b>	<b>3,814,007</b>	<b>440,192</b>	<b>68,431</b>	<b>4,452,815</b>
Proceeds	11,390	13,649	0	0	25,039
Repayment	(6,961)	(785,476)	(123,476)	(40,610)	(956,523)
<b>Cash flows</b>	<b>4,429</b>	<b>(771,828)</b>	<b>(123,476)</b>	<b>(40,610)</b>	<b>(931,485)</b>
New leases	0	0	145,794	0	145,794
Foreign exchange adjustment	(60)	101,206	3,546	0	104,692
Other	0	2,305	0	6	2,305
<b>Non-cash flows</b>	<b>(60)</b>	<b>103,511</b>	<b>149,340</b>	<b>0</b>	<b>252,791</b>
<b>Net debt as at 30 April 2020</b>	<b>134,554</b>	<b>3,145,690</b>	<b>443,146</b>	<b>26,821</b>	<b>3,750,211</b>

\* Classified as borrowings

## 18 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS 1 MAY – 30 APRIL

In preparing the consolidated financial statements, Management makes various significant accounting estimates and judgements that affect the reported amounts and disclosures in the statements and in the notes to the financial statements.

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

### Purchasing Price Allocation for acquisition of businesses

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

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

### Goodwill

The unallocated purchase price (positive amount) is recognised in the statement of financial position as goodwill, which is allocated to the Group's cash-generating units. Management determines the acquired cash-generating units, the cash-generating units that already existed in the Group and the

allocation of goodwill. The allocation of goodwill is based on the expected future cash flows for the business.

Management's assessment of indication of impairment is based on the cash-generating units (CGUs). If there are indications that the carrying amount of assets exceeds the value of future cash flows from the assets (recoverable amount), an impairment test must be carried out.

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

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

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

Determining whether goodwill is impaired requires a comparison of the recoverable amount with the carrying amount. The recoverable amount is determined as the net present value of the future cash flows expected to arise from the cash-generating unit to which goodwill is allocated. The carrying amount of goodwill as of 30 April 2021 amounts to 913 MDKK, and the assumptions applied for determining the recoverable amount is disclosed in note 5.

### Customer agreements and portfolios

In business combinations, the value of acquired customer agreements and customer portfolios is assessed based on

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

### Brands

Acquired brands are initially recognised at their fair value being the estimated value of the acquired brands based on all future cash flows associated with the brands using the relief from royalty method as there for most acquired entities is a close relationship between brands and sales. Brands with an indefinite useful lives are subject to a yearly impairment test. The classification of the useful life is based on an assessment of the brand's name, overall position, presence and reputation in the market, its degree of exposure to changes in the economic environment and stability of the industry. Based on these criteria's management have assessed that the current brands all have an indefinite useful life. The useful life of assets with an indefinite life is assessed yearly.

### Trade receivables

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

The specific amount provided for as bad debt is estimated based on a specific assessment of the customers. In this assessment professional judgment such a possibility for taking collateral is taken into consideration.



**Fair value**

The Group measures a number of financial instruments at fair value, including all derivatives as well as shares and bonds.

Estimates are made in connection with the determination of the fair value of financial instruments in the following areas:

**Choice of valuation technique**

Determination of when available quoted prices do not represent fair value calculation of fair value adjustments to take into account relevant risk factors such as credit risk, model risk and liquidity risk.

**Assessment of which market parameters must be observed**

Estimating of future cash flows and required rates of return as regards unlisted shares. Furthermore, the Group holds a portfolio of investments properties which are also measured at fair value. As there are normally no active market for investment properties, the fair values are estimated based on discounted cash flow models. These models are based on assumption on future rents, vacancy levels, operating and maintenance costs, yield requirements and interest rates, and thus contain a number of accounting estimates.

**Leases**

In accounting for lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonable certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew

or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate.

**19 SIGNIFICANT ACCOUNTING POLICIES**

1 MAY – 30 APRIL

**Basis of preparation**

The consolidated financial statements for 2020/21 for USTC have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act. The consolidated financial statements are also in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

The Board of Directors and the Management Board have on 1 May 2021 considered and adopted the annual report for 2020/21, which will be presented for adoption by the shareholders at the Company's Annual General Meeting on 24 June 2021.

**First time adoption of IFRS**

These are the Group's first consolidated financial statements prepared in accordance with IFRS as adopted by the EU. The accounting policies comply with each IFRS effective at 30 April 2021.

Previously, the Group has prepared the consolidated financial statements in accordance with Danish GAAP. Note 21 discloses the impact of the transition to IFRS on the Group's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the consolidated financial statements for the year ending 30 April 2020 prepared under Danish GAAP.

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following exceptions:

- ♦ the accounting for business combinations completed before the date of transition to IFRS (1 May 2015) has not been restated.
- ♦ cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 May 2019.
- ♦ right of use assets were recognised at the present value for the lease liabilities as of 1 May 2019.
- ♦ borrowing costs related to the construction of qualifying assets are capitalised only if incurred after the date of transition to IFRS.

## SIGNIFICANT ACCOUNTING POLICIES 1 MAY – 30 APRIL CONTINUED

### Basis of measurement

Amounts in the Annual Report are presented in thousands Danish Kroner (DKK), unless otherwise stated. The Annual Report has been prepared under the historical cost convention with the exception of derivative financial instruments, securities, investment properties and acquisition opening balances, which are measured at fair value.

The accounting policies described in the notes have been applied consistently to the financial year and the comparative figures.

### Consolidation

The consolidated financial statements include the parent company USTC and subsidiaries controlled by USTC.

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

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

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

### Foreign currency translation

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-

measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in financial items.

The results and financial position of all of the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; income and costs for each income statement are translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income.

### Materiality in Financial Reporting

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

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

## INCOME STATEMENT

### Revenue – General principles

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue includes fair value gains and losses net related to commodity derivatives.

Trade receivables are recognised as sale of goods and service delivered are invoiced to the customer and are not adjusted for any financing components, due to short credit terms and thus insignificant. Where services delivered have yet to be invoiced, contract assets and accrued cost of services are recognised at the reporting date.

### Revenue from sale and meditation of bunker

Revenue from sale and meditation of bunker comprise sales of fuel products across the globe. Sale of bunker is recognised upon passing of title to the customer which generally coincides with delivery and acceptance of the goods sold.

### Revenue from sale of logistics services

Logistics services comprise freight logistics facilitating transportation of goods by road and other forms of transportation. Logistics services are characterised by short delivery times as most transports are completed within days. Revenue is recognised are recognised over time.

### Revenue from Ship owning

Revenue from ship owning comprises chartering of tank ships. Revenue is recognised when or as performance obligations are satisfied by transferring services to the customer, i.e. over time, provided the state of completion can be measured reliable.

### Revenue from IT services

Revenue from IT services comprise sale of hosting and operations solutions and consulting services. Revenue of hosting and operations services are recognised in the period the services are provided which will either be based on an output measure or using the straight-line method. Consulting services are recognised as hours delivered or in accordance with the stage of completion method.

### Direct expenses

Direct expenses include expenses for the purchase of goods for resale, are expensed as incurred.

### Other external expenses

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

**Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses. Staff expenses are recognised in the financial year in which the employee renders the related service.

**Share of profit/loss in associated companies**

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

**Other operating income**

Grants from government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

**Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, fair value adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

**Tax on profit/loss for the year**

Tax comprises an estimate of current and deferred income tax as well as adjustments to previous years of those. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Group is subject to a jointly taxation with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

**Statement of comprehensive income**

Other comprehensive income consists of income and costs not recognised in the income statement, including exchange rate adjustments arising from the translation from functional

currency to presentation currency, fair value adjustments of other equity investments and cash flow hedges. The Group's share of other comprehensive income in associated companies is also included.

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

**BALANCE SHEET****Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets:

Acquired rights .....	up to 20 years
Customer relations .....	up to 8 years
Software .....	up to 5 years
Completed development projects .....	up to 3 years
Brands .....	indefinite

**Property, plant and equipment**

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

Land is measured at cost. No depreciation is made on land.

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

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

Buildings .....	20-50 years
Ships and equipment (newbuilding) .....	25 years
Ships and equipment (not newbuilding) .....	25 years

Fixtures and fittings, tools and equipment .....	3-10 years
Leasehold improvements .....	5-15 years

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

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

**Leases****Leases**

The Group assesses at contract inception whether a contract is, or contain, a lease. This is, if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

**Right-of-use assets**

The group recognises right-of-use assets at the commencement date for the leases. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's useful life and lease term on a straight-line basis.

**Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value for lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on a index or a rate, and amounts expected to be paid under residual value guarantees. The lease payment also include the exercise

## SIGNIFICANT ACCOUNTING POLICIES 1 MAY – 30 APRIL CONTINUED

price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the implied interest of the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Additionally, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments, or a change in the assessment of an option to purchase the underlying asset.

### *Short term leases and low-value assets*

The Group applies the short-term recognition exemption to its short-term leases insofar the leases have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Furthermore, the Group applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term and low assets are recognised as expenses on a straight-line basis over the lease term.

### **Lessor**

When the Group acts as lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

In order to classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset. If this is the case, the lease is classified as finance lease; if not the lease is classified as operating leases.

### *Operating leases*

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and

recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

### *Financial leases*

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the lease. Financial lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the lease, and under due consideration of the amount recognised in income as an outright sale as described above in the section "Revenue from sport cars activities".

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the leases. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

### **Impairment of intangible and tangible assets**

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

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

Intangible assets and property, plant and equipment are tested for impairment, if there is an indication of impairment. However, annual impairment tests are carried out for goodwill and other intangible assets with indefinite useful lives.

### **Investments in associates**

Investments in associated companies and joint ventures are recognised at USTC's share of the equity value inclusive of goodwill less any impairment losses. Goodwill is an integral part of the value of associated companies and is therefore

subject to an impairment test together with the investment as a whole. Impairment losses are reversed to the extent the original value is considered recoverable.

### **Inventories**

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

The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

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

### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures financial assets at their fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



SDK FREJA, the Group's Shipping & Logistics activities.



## SIGNIFICANT ACCOUNTING POLICIES 1 MAY – 30 APRIL CONTINUED

### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principle and interest, are measured at amortised costs. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss.

Assets that are held for collection of contractual cash flows and for selling the financial assets, where those cash flows represent solely payments of principle and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

### *Equity instruments*

The Group subsequently measures all equity instruments at fair value through profit or loss.

### *Receivables*

Receivables are recognised initially at the amount of consideration that is unconditional less expected credit losses. They are subsequently measured at amortised cost using the effective interest method, which generally corresponds to nominal values less expected credit loss provision.

The Group utilises a simplified approach to measuring expected credit losses and uses a lifetime expected loss allowance for all receivables. To measure the expected credit losses, receivables have been grouped based on credit risk characteristics and the days past due.

### *Derivatives*

Derivative financial instruments are initially recognised in the balance sheet at fair value. Any difference between the

transaction price and fair value determined when applying a valuation model, which is not solely based on observable market data is deferred and recognized over the term of the contract.

Derivative financial instruments are subsequently remeasured at their fair values. Derivative financial assets and liabilities and related collateral payable and receivable are presented net if the company has both a current legally enforceable right to set off the recognized amounts and intends to settle net. Net amounts of positive and negative fair values of derivative financial instruments are presented in separate line items in the balance sheet.

Fair value of OTC (oil derivative contracts) are determined on the basis of generally applied forward and option pricing models. Inputs to the models are to the extent possible determined on the basis of observable prices for the underlying products. For contracts, where the most significant input is unobservable, Management estimates the input.

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

### **Borrowings**

Borrowings are initially recognised at fair value, net of transactions costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

### **Hedge accounting**

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognized asset or a recognised liability are recognised in the income statement, as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of financial instruments that are designated and qualify as hedges of highly probable future transactions are recognised in other comprehensive income and presented in a separate reserve within equity as regards the effective portion of the hedge.

The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognized in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

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

### **Deferred tax assets and liabilities**

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.



Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

#### **Current tax receivables and liabilities**

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year and adjusted for tax on taxable incomes for prior years.

Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

#### **Own shares**

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

#### **Dividend**

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

#### **Provisions**

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised when if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### **Business combinations**

Upon acquisition of new entities, the acquired assets, liabilities and contingent liabilities are measured at fair value at the date control was achieved using the acquisition method. Identifiable intangible assets are recognised if they arise from a contractual right or can otherwise be separately identified. The difference between the fair value of the acquisition cost and the fair value of acquired identifiable net assets is recognised as goodwill.

Any subsequent changes to contingent acquisition costs are recognised as other income or other costs in the income statement.

#### **Minority interests**

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

The Group recognises non-controlling interests in an acquired entity either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the

amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

Put options held by non-controlling interests are recognised as financial liabilities at the present value of the expected exercise price. The non-controlling interest continues to be recognised unless risks and rewards have been transferred to the parent company. Changes in the carrying amount of the put option liability are recognised in equity unless risks and rewards have transferred to the parent.

#### **Cash flow statement**

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

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

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

#### **Cash and cash equivalents**

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

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

#### **New accounting standards and interpretations**

The IASB has issued a number of new standards and updated some existing standards, the majority of which are effective for accounting periods beginning on 1 May 2021, or later. Therefore, they are not incorporated in these consolidated financial statements.

There are no standards presently known that are not yet effective and that would be expected to have a material impact on the Group in current or future reporting periods and on foreseeable future transactions.

## DEFINITION OF FINANCIAL RATIOS

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

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

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

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

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

$$\text{Number of employees} = \text{Employees and rented crew on vessels reported as annualised numbers}$$

## 20 BUSINESS COMBINATIONS 1 MAY - 30 APRIL

DKK mill	Country	Acquired ownership	Acquisition date	Main activity	Consideration
<b>2020/21</b>					
FREJA A/S	Denmark	74.7 %	29 December 2020	Logistics	853
Ocean-Connect Marine (OCM)	Dubai, Germany, Hong Kong, Qatar	100.0 %	31 July 2020	Bunker Trading and mediation	63

As of 29 December 2020, SDK A/S acquired all shares in FREJA Transport & Logistics Holding A/S as a result of the Group's strategy to expand its business within logistics services. As further explained below, the activities were merged with the existing logistics activities of the SDK Group, and the former owners of FREJA Transport & Logistics A/S made an investment resulting in an ownership of 25.3% of the combined entity, FREJA Transport & Logistics Holding.

As part of the transaction, the seller of Freja A/S and key Management of Freja A/S became 25.3% shareholder in the entity holding the combined logistics services activities. Refer to section "Non-controlling interests" for further discussion of the arrangement.

Further, as of 31 July 2020 Bunker Holding Group gained control of OceanConnect Marine located with several companies around the world.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

DKK mill	FREJA	OCM
<b>Purchase consideration:</b>		
Cash paid	853	63
Contingent consideration	0	0
<b>Total purchase consideration</b>	<b>853</b>	<b>63</b>



Assets acquired and liabilities recognised at the date of acquisition:

DKK mill	FREJA	OCM
Cash	163	5
Trade and other receivables	432	193
Brands	160	0
Customer relations	57	0
Software	12	0
Right-of-use assets	537	0
Fixed assets investment	29	0
Plant and equipment	114	0
Deferred tax liability relating to intangibles	(47)	0
Trade payables	(442)	(66)
Lease commitments	(579)	0
Other liabilities	(135)	(37)
Tax payable	(4)	0
Contingent liability	(14)	0
Deferred tax liability	(5)	0
Borrowings	(44)	0
<b>Net identifiable assets acquired</b>	<b>234</b>	<b>95</b>
Non-controlling interests measured at fair value	(1)	0
Goodwill arising on acquisition	620	0
Badwill arising on acquisition	0	(32)
<b>Net assets acquired</b>	<b>853</b>	<b>63</b>

Goodwill of DKK 620 million arising from the acquisition is attributable to a strengthened position in the market place and synergies expected to arise from combining the operations of the group and the acquired business. The goodwill recognised is not deductible for income tax purposes.

The badwill is recognized in the income statement under other operating income.

The total purchase consideration of DKK 853 million and DKK 63 million, respectively has been settled in cash.

The fair value of acquired trade receivables in FREJA is DKK 396 million with no loss allowance recognised in the acquisition:

DKK mill	Freja	OCM
The acquired business' contributed to the group with:		
<b>Since date of acquisition</b>		
Revenue	1,265	2,515
Net Profit	35	5

If the acquisition had occurred on 1 May 2020, consolidated pro-forma revenue and profit for the group for the year ended 30 April 2020<sup>1</sup> would have been DKK 69,371 million and DKK 452 million, respectively.

These amounts have been calculated using the subsidiary's results and adjusted for differences in the accounting policies between the group and the subsidiary.

**20 BUSINESS COMBINATIONS** 1 MAY - 30 APRIL CONTINUED

Outflow of cash to acquire the subsidiary:

DKK mill	FREJA	OCM
Cash consideration	853	63
Less: Balances acquired		
Cash	(163)	(5)
<b>Net outflow – investing activities</b>	<b>690</b>	<b>59</b>

Acquisition-related costs of DKK 20 million are included in the statement of profit or loss in the line item "other external expenses" and in the operating cash flow in the statement of cash flow.

**Non-controlling interests**

The group has chosen to recognise the non-controlling interests at its fair value for this acquisition. The fair value of the non-controlling interest in FREJA, an unlisted company, was estimated by applying a market approach and an income approach. The fair value estimates are based on the purchase price of the purchase from the 29 December 2020.

As part of the transaction, the seller of Freja and key Management of FREJA A/S became 25.3% shareholder in the entity holding the combined logistics services activities. They hold an option to sell their shares to the Group as of 2024, and the Group holds an option to acquire the shares on similar terms. The 25.3% shareholding is classified as a non-controlling interest, and the option arrangement is classified as a financial liability measured at the present value of the expected exercise price.

The liability is charged against equity attributable to owners of the parent company. The effect of the transfer of the 25.3% of the existing logistics activities resulting in a (loss) of DKK 14,782k for equity attributable to the owners of the parent and a corresponding (gain) for the non-controlling interests.

**21 FIRST TIME ADOPTION OF IFRS**

These consolidated financial statements for the year ended 30 April 2021 are the first that the Group has prepared in accordance with IFRS. For periods up to and including the year ended 30 April 2020 the Group prepared its financial statements in accordance with The Danish Financial Statements Act ('Danish GAAP').

The Group has prepared financial statements that comply with IFRS applicable as at 30 April 2021, together with the comparative period information for the year ended 30 April 2020.

In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1, May 2019 (date of transition).

The disclosures required by IFRS 1 First-time Adoption of IFRS explaining the principal adjustments made by the Group in restating Danish GAAP financial statements are provided on page 79.

**NOTES TO THE RECONCILIATION FROM DANISH GAAP TO IFRS****Goodwill**

According to Danish GAAP, goodwill must be amortised. Consequently, the amortisation of goodwill has been reversed, also including reversal in prior periods since 1 May 2015.

**Recognition of leasing in accordance with IFRS 16**

Leases classified as operational leases in accordance with DK GAAP has been recognised in accordance with IFRS 16.

**Exemptions applied**

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Group has applied the following exemptions:

Business combinations has been applied retrospectively to past business combinations carried out after 1 May 2015. Consequently, all goodwill amortisations since this transition date has been reversed.

Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 May 2019.

Lease assets have been recognised at the present value of the lease liabilities as of this date by applying an incremental borrowing rate.

DKK '000	As at 1 May 2019 (date of transition to IFRS)			For the year ended 30 April 2020	As at 30 April 2020		
	Assets	Liabilities	Equity	Profit for the year	Assets	Liabilities	Equity
<b>According to the Danish Financial Statement Act</b>	<b>12,371,125</b>	<b>9,763,540</b>	<b>2,607,585</b>	<b>883,061</b>	<b>10,853,377</b>	<b>7,770,594</b>	<b>3,082,783</b>
IFRS-adjustments:							
Opening value of goodwill	(38,472)	0	(38,472)	0	(40,517)	0	(40,517)
Reversal of amortisations on goodwill	0	0	0	53,795	54,551	0	54,551
Opening value of acquired rights and customer relationship	43,349	0	43,349	0	44,675	0	44,675
Amortisation of acquired rights and customer relationship	0	0	0	(24,461)	(24,888)	0	(24,888)
Other adjustments	0	(1,664)	1,664	(1,683)	1,348	1,344	(8)
Recognition of leasing in accordance with IFRS 16	365,723	367,308	(1,585)	(2,861)	384,067	388,603	(4,524)
Reclassifications	0	0	0	0	(10,489)	(10,489)	0
<b>Total adjustments</b>	<b>370,691</b>	<b>365,645</b>	<b>4,957</b>	<b>24,790</b>	<b>408,747</b>	<b>379,458</b>	<b>29,288</b>
<b>According to IFRS</b>	<b>12,741,726</b>	<b>10,129,185</b>	<b>2,612,542</b>	<b>907,851</b>	<b>11,262,124</b>	<b>8,150,052</b>	<b>3,112,071</b>

DKK '000	Change in cash and cash equivalents	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities
<b>According to the Danish Financial Statement Act</b>	<b>(505,040)</b>	<b>728,216</b>	<b>(219,520)</b>	<b>(1,013,736)</b>
IFRS-adjustments:				
Recognition of leasing in accordance with IFRS 16	0	112,390	0	(112,390)
Other adjustment	0	95,007	0	(95,007)
<b>Total adjustments</b>	<b>0</b>	<b>207,397</b>	<b>0</b>	<b>(207,397)</b>
<b>According to IFRS</b>	<b>(505,040)</b>	<b>935,613</b>	<b>(219,520)</b>	<b>(1,221,133)</b>

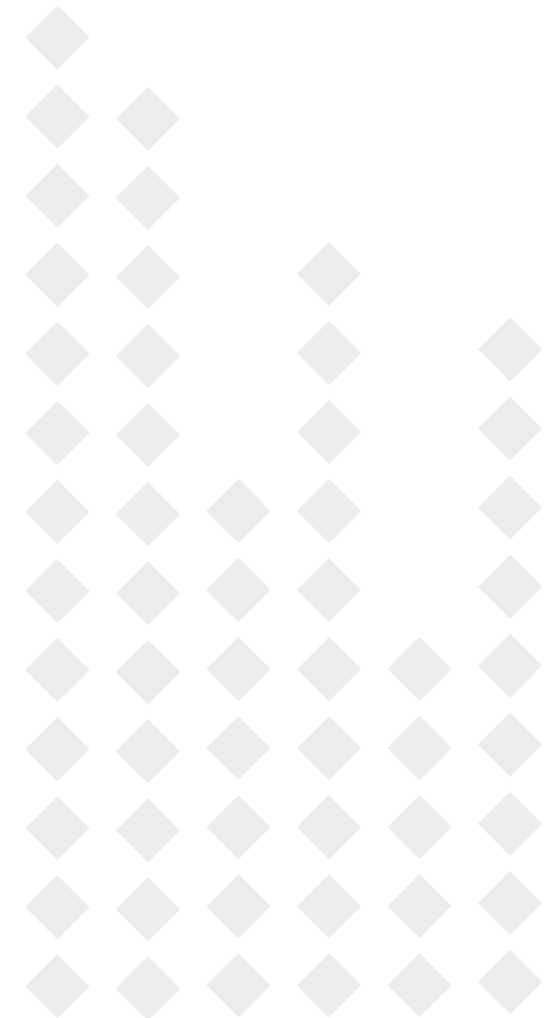


# PARENT COMPANY FINANCIAL STATEMENTS



**INCOME STATEMENT** 1 MAY - 30 APRIL

DKK '000	Note	2020/21	2019/20
Other operating income		5,100	0
Other external expenses		(1,547)	(861)
<b>Gross profit</b>		<b>3,553</b>	<b>(861)</b>
Staff expenses	22	(10,638)	(5,551)
Impairment losses		(4)	0
<b>Profit before financial income and expenses</b>		<b>(7,089)</b>	<b>(6,412)</b>
Profit from investments in group enterprises and associates		333,275	888,777
Financial income		51	0
Financial expenses	23	(1,399)	(987)
<b>Profit before tax</b>		<b>324,838</b>	<b>881,378</b>
Tax on profit for the year	24	1,857	1,628
<b>Net profit for the year</b>		<b>326,695</b>	<b>883,006</b>
<b>Proposed distribution of profits</b>			
Extraordinary dividend		755,000	205,000
Reserve for net revaluation under the equity method		(442,956)	442,868
Retained earnings		14,651	235,138
		<b>326,695</b>	<b>883,006</b>



## STATEMENT OF FINANCIAL POSITION 30 APRIL

DKK '000	Note	2021	2020
Fixtures and fittings, tools and equipment		79	0
Property, plant and equipment, under construction		412	0
<b>Property, plant and equipment</b>		<b>491</b>	<b>0</b>
Investments in subsidiaries		3,094,372	3,155,388
<b>Fixed asset investments</b>	25	<b>3,094,372</b>	<b>3,155,388</b>
<b>Fixed assets</b>		<b>3,094,863</b>	<b>3,155,388</b>
Receivables from group enterprises		2,198	0
Other receivables		1,319	692
Corporation tax		3,489	1,628
<b>Receivables</b>		<b>7,006</b>	<b>2,320</b>
<b>Securities</b>		<b>25</b>	<b>13</b>
<b>Cash at bank and in hand</b>		<b>403</b>	<b>602</b>
<b>Current assets</b>		<b>7,434</b>	<b>2,935</b>
<b>Assets</b>		<b>3,102,297</b>	<b>3,158,323</b>

DKK '000	Note	2021	2020
Share capital	14	4,900	4,900
Reserve for net revaluation under the equity method		1,667,843	2,165,695
Retained earnings		1,230,639	910,988
Proposed dividend for the year		0	0
<b>Total equity</b>		<b>2,903,382</b>	<b>3,081,583</b>
Provision for deferred tax		4	0
<b>Provisions</b>		<b>4</b>	<b>0</b>
Credit institutions		30,000	45,000
Payable to group enterprises		137,541	0
<b>Long-term debt</b>		<b>167,541</b>	<b>45,000</b>
Short-term part of long-term debt		15,000	15,000
Trade payables		593	159
Payables to group enterprises		10,371	11,508
Other payables		5,406	5,073
<b>Short-term debt</b>		<b>31,370</b>	<b>31,740</b>
<b>Debt</b>		<b>198,911</b>	<b>76,740</b>
<b>Liabilities and equity</b>		<b>3,102,297</b>	<b>3,158,323</b>
Security etc.	26		
Related parties	27		
Subsequent events	28		
Significant accounting policies	29		

## STATEMENT OF CHANGES IN EQUITY 1 MAY - 30 APRIL

2020/21 DKK '000	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 May	4,900	2,165,695	910,988	0	3,081,583
Dividend paid	0	0	(755,000)	0	(755,000)
Net profit for the year	0	(442,956)	769,651	0	326,695
Capital increase	0	0	305,000	0	305,000
Exchange rate adjustment	0	(267,517)	0	0	(267,517)
Capital adjustments	0	212,621	0	0	212,621
<b>Equity at 30 April</b>	<b>4,900</b>	<b>1,667,843</b>	<b>1,230,639</b>	<b>0</b>	<b>2,903,382</b>

2019/20 DKK '000	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 May	4,900	1,825,382	675,851	100,000	2,606,133
Dividend paid	0	0	(205,000)	(100,000)	(305,000)
Net profit for the year	0	442,868	440,137	0	883,005
Capital adjustments	0	(102,555)	0	0	(102,555)
<b>Equity at 30 April</b>	<b>4,900</b>	<b>2,165,695</b>	<b>910,988</b>	<b>0</b>	<b>3,081,583</b>





*Boringia Swan, a member of the Uni-Tankers fleet, docking at Fredericia port.*



NOTES CONTENTS

Note 22 .....Staff expenses **86**

Note 23 .....Financial expenses **86**

Note 24 .....Corporation tax **86**

Note 25 .....Fixed asset investments **86**

Note 26 ...Contingent liabilities and lease and contractual obligations **87**

Note 27 .....Related parties **87**

Note 28 .....Subsequent events **87**

Note 29 .....Significant accounting policies **88**

**22 STAFF EXPENSES** 1 MAY - 30 APRIL

DKK '000	2020/21	2019/20
Wages and salaries	10,116	5,512
Pensions	423	40
Other social security expenses	99	(1)
	<b>10,638</b>	<b>5,551</b>
Remuneration to the Executive Board and Board of Directors	2,564	1,307
<b>Number of employees, including hired crew</b>	<b>7</b>	<b>3</b>

**23 FINANCIAL EXPENSES** 1 MAY - 30 APRIL

DKK '000	2020/21	2019/20
Financial expenses from group enterprises	990	298
Other financial expenses	409	676
Exchange rate adjustments	0	13
	<b>1,399</b>	<b>987</b>

**24 CORPORATION TAX** 1 MAY - 30 APRIL

DKK '000	2020/21	2019/20
Current tax for the year	(1,861)	(1,628)
Tax concerning previous years	4	0
<b>Total tax for the year</b>	<b>(1,857)</b>	<b>(1,628)</b>

**25 FIXED ASSET INVESTMENTS** 30 APRIL

DKK '000	Investments in subsidiaries
Cost at 1 May	989,693
Additions	436,836
<b>Cost at 30 April</b>	<b>1,426,529</b>
Value adjustments at 1 May	2,165,695
Exchange rate adjustment	(267,517)
Shares of profit for the year	333,606
Dividend	(776,231)
Other equity movements	212,621
Amortisation of goodwill	(331)
<b>Value adjustments at 30 April</b>	<b>1,667,843</b>
<b>Carrying amount at 30 April</b>	<b>3,094,372</b>

The parent company's investments in subsidiaries comprise:	Place of reg. office	DKK'000 Share capital	Votes and ownership
Bunker Holding A/S	Middelfart	10,000	100 %
Unit IT Holding A/S	Middelfart	1,000	100 %
SDK FREJA A/S	Fredericia	6,500	100 %
Rederiaktieselskabet Nyborg	Nyborg	610	100 %
Uni-Tankers A/S	Middelfart	67,221	100 %
BunkerEx	London	0	100 %
Aktieselskabet af 29. september 2020	Middelfart	400	100 %
Adarts af 1/9-2019 A/S	Middelfart	502	100 %

## 26 CONTINGENT LIABILITIES AND LEASE AND CONTRACTUAL OBLIGATIONS 30 APRIL

DKK '000	2020/21	2019/20
<b>Lease and rent obligations</b>		
Lease and rent obligations	42	0

### 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 Selfgenerations T 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.

As security for bank facility, a charged has been granted for the subsidiary Rederiaktieselskabet Nyborg on TDKK 58,000

## 27 RELATED PARTIES 1 MAY - 30 APRIL

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.

Except for intercompany transactions, no transactions have been carried out with the Executive Board, managerial staff, significant shareholders or other related parties during the year.

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 and the ultimate Parent Company Selfgenerations T ApS, in which Torben Østergaard-Nielsen, Gl. Strandvej 171, 5500 Middelfart, CEO, exercises control.

## 28 SUBSEQUENT EVENTS 1 MAY - 30 APRIL

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

## 29 SIGNIFICANT ACCOUNTING POLICIES 1 MAY - 30 APRIL

### Basis of preparation

The Annual Report of A/S United Shipping & Trading Company for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years. The Annual Report for 2020/21 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 Company, and the value of the asset can be measured reliably.

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

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

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

### 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.

Upon recognition of financial statements of foreign group enterprises, 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

## INCOME STATEMENT

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities.

### 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 expense.

### Share of profit/loss in subsidiaries

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

### Financial income and expenses

Financial income and expenses 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 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 tonage account taxation scheme.

**BALANCE SHEET****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.

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

Fixtures and fittings, tools and equipment..... 3-10 years

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

Equipment are measured at cost less accumulated depreciation calculated on a straightline basis over the period until either the end of the expected useful life or the time of expected phasing out.

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

**Investments in subsidiaries**

Investments in subsidiaries are recognised as A/S United Shipping & Trading Company share of the equity value inclusive of goodwill less any impairment losses. Goodwill is an integral part of the value of subsidiaries and is therefore subject to an impairment test together with the investment as a whole. Impairment losses are reversed to the extent the original value is considered recoverable.

**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.

**Deferred tax and liabilities**

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

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 carryforwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

**Current tax receivables and liabilities**

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year and adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset 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 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.

A close-up photograph of a tire tread, showing the intricate patterns of the rubber. A diagonal graphic element, consisting of a dark blue triangle and a lighter blue triangle, cuts across the image from the top right towards the bottom left. The text 'MANAGEMENT'S STATEMENT' is written vertically in white, bold, sans-serif capital letters on the left side of the image.

# 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 2020 – 30 April 2021.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 30 April 2021 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for 2020/21.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Middelfart, 24 June 2021

## EXECUTIVE BOARD



**Torben Østergaard-Nielsen**  
CEO



**Nina Østergaard Borris**  
COO

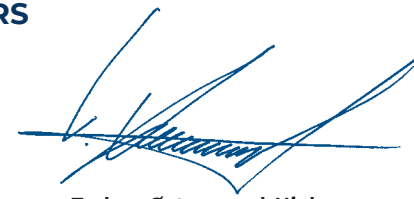


**Jakob Schultz Nielsen**  
CFO

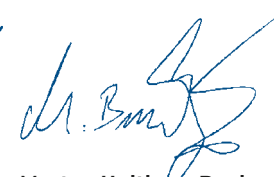
## BOARD OF DIRECTORS



**Klaus Nyborg**  
Chairman



**Torben Østergaard-Nielsen**



**Morten Hultberg Buchgreitz**



**Peter Frederiksen**



**Torben Janholt**



**Peter Appel**



**Peter Korsholm**



**Nina Østergaard Borris**



**Mia Østergaard Nielsen**



# INDEPENDENT AUDITOR'S REPORT





### Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 30 April 2021 and of the results of the Group's operations and cash flows for the financial year 1 May 2020 – 30 April 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 30 April 2021 and of the results of the Parent Company's operations for the financial year 1 May 2020 – 30 April 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of A/S United Shipping & Trading Company for the financial year 1 May 2020 – 30 April 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those stand-

ards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial 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 that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to 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, 24 June 2021

#### PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31



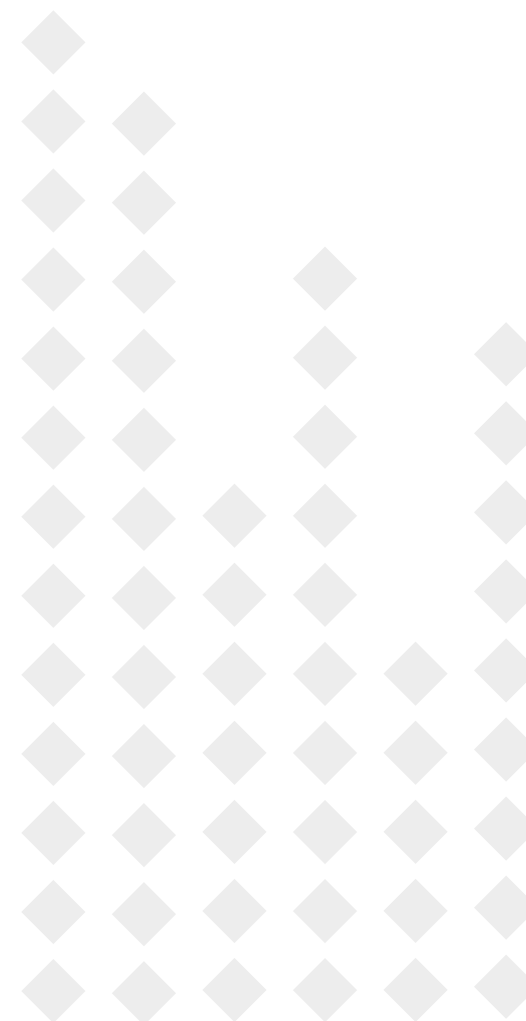
**Gert Fisker Tomczyk**

State Authorised Public Accountant  
mne9777



**Henrik Forthoft Lind**

State Authorised Public Accountant  
mne34169





**A/S UNITED SHIPPING & TRADING COMPANY**  
Turbinevej 10 · 5500 Middelfart · Denmark

P +45 88 13 88 13  
Company reg. no. 76 95 00 16