ANNUAL REPORT
2016/17

A/S Global Risk Management Ltd.

VAT no. 79 33 22 16

The Annual Report was presented and adopted at the Annual General Meeting on 3 July 2017

Michael Keldsen

Chairman of the meeting: Michael Keldsen

Financial year: 1 May 2016 – 30 April 2017
Strandvejen 7, DK-5500 Middelfart

Contents

Management's Statement

The Executive and Supervisory Boards have today presented and adopted the Annual Report of A/S Global Risk Management Ltd. for the financial year 1 May 2016 - 30 April 2017.

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

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2017 and of the results of Company operations and cash flows for 2016/17.

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

Middelfart, 3 July 2017

Executive Board

Hans Erik Christensen
CEO

Supervisory Board

Keld Rosenbæk Demant Chairman	Jesper Klokker Hansen	Hans Erik Christensen

Independent Auditor's Report

To the Shareholders of A/S Global Risk Management Ltd.

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2017, and of the results of the Company's operations and cash flows for the financial year 1 May 2016 - 30 April 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of A/S Global Risk Management Ltd. for the financial year 1 May 2016 - 30 April 2017, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation of 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 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 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 Company's internal control.

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

Independent Auditor's Report

- 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 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 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.

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.

Trekantomraadet, 3 July 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant

Lasse Berg
State Authorised Public Accountant

Management's Review

Company Information

The Company	A/S Global Risk Management Ltd. Strandvejen 7 DK-5500 Middelfart	
	Telephone:	+45 88 38 00 00
	Facsimile:	+45 88 38 00 09
	E-mail:	hedging@global-riskmanagement.com
	CVR No:	79 33 22 16
	Financial year:	1 May - 30 April
	Municipality of reg. office:	Middelfart
Supervisory Board	Keld Rosenbæk Demant, Chairman Jesper Klokker Hansen Hans Erik Christensen	
Executive Board	Hans Erik Christensen, CEO	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle	

Management's Review

Financial Highlights of the Company

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

	2016/17 USD '000	2015/16 USD '000	2014/15 USD '000	2013/14 USD '000	2012/13 USD '000
Profit/loss					
Net gain on derivatives and financial instruments	20,373	15,710	13,469	10,123	9,335
Profit before financial income and expenses	11,388	7,690	6,613	4,995	4,896
Net financials	640	(837)	(451)	256	298
Net profit for the year	9,667	5,498	4,917	4,411	4,141
Balance sheet					
Balance sheet total	71,009	60,319	78,691	25,954	23,317
Equity	29,404	19,737	18,240	17,323	15,511
Cash flows					
Cash flows from:					
- operating activities	(147)	22,877	(10,094)	(2,512)	(7,314)
- investing activities	(2,812)	(4,604)	(4,000)	22	0
hereof investment in property, plant and equipment and intangible assets	(2,812)	(602)	0	0	0
- financing activities	2,732	(17,993)	14,160	1,246	9,037
Change in cash and cash equivalents for the year	(227)	280	65	(1,244)	1,723
Ratios (%)					
Profit margin	55.9%	48.9%	49.1%	49.3%	52.4%
Return on equity	39.3%	29.0%	27.7%	26.9%	31.4%
Liquidity ratio	1.65	1.47	1.30	2.99	2.94
Solvency ratio	41.4%	32.7%	23.2%	66.7%	66.5%

For definitions, see under accounting policies.

Review

Activities

The activities of the Company comprise the offering of customised hedging products for fuel price risk management. Hedging is carried out through purchase and sale of financial derivatives on both refined oil products and crude oil, as well as through entering into fixed-price contracts in respect of physical deliveries. The Company is represented by own offices in Denmark and Singapore.

Developments in the year

A/S Global Risk Management Ltd. achieved gross profit of USD 20.4 million. Results for the year after tax showed a profit of USD 9.7 million, and equity amounted to USD 29.4 million at the end of the year.

Considering the Company's original expectations and the realised market conditions the result for the year is very satisfactory.

As of 2016/2017, the Company has applied IFRS for recognising and measuring financial instruments. This has resulted in reclassification of amounts as disclosed in the section "Accounting policies, Basis of preparation". For the year 2015/16 the balance total has decreased by 13.4 mio. USD thus strengthening the solvency ratio by 5.9 percentage-points and increasing the liquidity ratio by 0.11. Ratios for the years 2012/13 to 2014/15 have not been adjusted.

Gross profit is obtained by trading hedging products with clients who need to secure their budgets against fluctuations in fuel prices. During the year, the Company has continued to broaden the client base and to improve diversification across segments.

Growth is matched with risks through current credit ratings of clients and a continuous assessment of the extent of counterparty exposure which the Company is prepared to assume towards individual clients, segments and countries. Exposure to oil price fluctuation is monitored and kept to a minimum by use of advanced risk assessment methodologies.

During the year, the Company has had continuous focus on adding more value to clients and ensuring competitive pricing by continued utilisation and optimisation of trade flow across the Group. The Company's preparations for the 2018 implementation of MiFID II are progressing according to plan and alongside the regulatory requirements further investments are also made in business supporting IT-systems that will enable the Company to continue to deliver superior value and services to clients and thus support the ambition of long term organic growth.

Both purchased and own-developed systems are used to manage client and supplier risks.

Review

Financial risks

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

Credit Risks
The Company is exposed to credit risk relating to its clients, and all clients and other business partners are credit rated regularly in accordance with the Company's policy for assuming credit risks.

Interest Rate Risks
The Company's interest-bearing debts are mainly based on variable interest rates, and therefore earnings are affected by any changes in the level of interest. The Company monitors and assesses on a current basis the financial consequences of interest rate changes and makes full or partial hedging of the interest rate risk.

Oil Price Risks
The Company hedges against all commercial oil price risks deriving from the activity of providing clients with different hedging solutions. In order to optimise the utilisation of trade flow the Company may, from time to time, choose to assume a basis risk by entering into opposite positions not perfectly correlated. Any assumed basis risk is continuously quantified, monitored and managed by the use of Value-At-Risk models and stop-loss-limits.

Corporate Social Responsibility
(cf. Section 99 a of the Danish Financial Statements Act)

The Company's policies for corporate social responsibility are disclosed in the Financial Statement of A/S United Shipping & Trading Company for 2016/17.

A/S Global Risk Management Ltd. conducts its business based on a Code of Conduct which sets high standards within the following areas:

- Health and safety
- Staff development
- Equal opportunity
- Environment
- Competition and anti-corruption

Review

Report on Gender Composition in Management

(cf. Section 99 b in the Danish Financial Statements Act)

Targets for the underrepresented gender on the Board of Directors
Currently the Board of Directors in A/S Global Risk Management Ltd. consists of three members of which zero is female. In 2016/17 all members of the board were re-elected and therefore no increase in female members of the board was achieved. It is our ambition to have one female member among the members of the Board of Directors elected on the general assembly no later than 2020.

Policy for the underrepresented gender at other management levels
The Company's policies for the underrepresented gender at other management levels are disclosed in the Financial Statement of A/S United Shipping & Trading Company for 2016/17.

Expectations for the year ahead

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

The high growth of the client base in the financial year 2016/17 has to some extent been affected by favourable market conditions that has increased the relevance of the Company's value proposition towards the clients and at the same time reduced the cost of providing the associated services to the clients. For the financial year 2017/18, Management expects to be able to maintain an unchanged level of activity and a result which is slightly lower than the result realised for the year just ended.

Preparations for the MiFID II implementation in 2018 will continue and investments in IT and an increase in the number of employees are expected to have a minor impact on the fixed cost base.

Income Statement 1 May - 30 April

	Note	2016/17	2015/16
		USD ´000	USD ´000
Net gain on derivatives and financial instruments	1	20,373	15,710
Other external expenses		3,031	3,524
Gross profit		**17,342**	**12,187**
Staff expenses	2	5,825	4,495
Profit before depreciation		**11,517**	**7,692**
Depreciation		129	2
Profit before financial income and expenses		**11,388**	**7,690**
Financial income	3	1,122	283
Financial expenses	4	482	1,119
Profit before tax		**12,028**	**6,854**
Corporation tax	5	2,361	1,356
Net profit for the year		**9,667**	**5,498**
Proposed distribution of profit	6		

Balance Sheet at 30 April

Assets	Note	2017	2016
		USD ´000	USD ´000
Goodwill		0	0
Software		3,275	602
Intangible assets	7	**3,275**	**602**
Fixtures and fittings, tools and equipment		9	0
Property, plant and equipment	8	**9**	**0**
Deposits		68	68
Fixed asset investments	8	**68**	**68**
Fixed assets		**3,352**	**670**
Trade receivables		142	12
Receivables from group enterprises		24,984	0
Receivables from group enterprises, special-term deposits		1,565	4,060
Derivatives and financial instruments	9	40,858	54,502
Other receivables		1	6
Prepayments	10	46	25
Receivables		**67,596**	**58,604**
Cash at bank and in hand		**61**	**1,044**
Current assets		**67,657**	**59,649**
Total assets		**71,009**	**60,319**

Balance Sheet at 30 April

Liabilities and equity	Note	2017	2016
		USD ´000	USD ´000
Share capital	11	891	891
Retained earnings		28,514	18,846
Equity		**29,405**	**19,737**
Deferred tax	12	720	131
Provisions		**720**	**131**
Credit institutions		245	1,002
Trade payables		190	140
Payables to group enterprises		600	2,466
Payables to group enterprises, special term loans		285	48
Corporation tax		1,778	2,460
Derivatives and financial instruments	9	34,914	32,815
Other payables		2,873	1,519
Short-term debt		**40,885**	**40,451**
Debt		**40,885**	**40,451**
Total liabilities and equity		**71,009**	**60,319**

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Statement of Changes in Equity

2016/17:	Share capital	Retained earnings	Proposed dividend	Total
	USD ´000	USD ´000	USD ´000	USD ´000
Equity at 1 May	891	18,846	0	19,737
Net profit for the year	0	9,667	0	9,667
Equity at 30 April	**891**	**28,513**	**0**	**29,404**

2015/16:	Share capital	Retained earnings	Proposed dividend	Total
	USD ´000	USD ´000	USD ´000	USD ´000
Equity at 1 May	891	13,349	4,000	18,240
Net profit for the year	0	5,498	0	5,498
Payment dividend	0	0	(4,000)	(4,000)
Equity at 30 April	**891**	**18,846**	**0**	**19,737**

Cash Flow Statement 1 May - 30 April

	2016/17	2015/16
	USD´000	USD´000
Profit/loss for the year before tax	12,028	6,854
Amortisation and depreciation for the year	129	2
Changes in receivables	(11,486)	23,870
Changes in trade payables, other payables, etc	1,636	(7,803)
Cash flows from ordinary activities	**2,307**	**22,923**
Corporation tax paid	(2,454)	(47)
Cash flows from operating activities	**(147)**	**22,877**
Purchase of intangible assets	(2,801)	(602)
Purchase of property, plant and equipment	(11)	0
Fixed asset investments made	0	(2)
Payment dividend	0	(4,000)
Cash flows from investing activities	**(2,812)**	**(4,604)**
Changes in special-term loans	2,732	(17,993)
Cash flows from financing activities	**2,732**	**(17,993)**
Change in cash and cash equivalents	**(227)**	**280**
Cash and cash equivalents at 1 May	42	(238)
Cash and cash equivalents at 30 April	**(184)**	**42**

Notes to the Annual Report

1 Segment information

The Company's activities are not disclosed with reference to section 96 (1) of the Danish Financial Statements Act.

2 Staff expenses

	2016/17	2015/16
	USD ´000	USD ´000
Wages and salaries	5,625	4,314
Pensions	174	147
Other social security expenses	26	34
	5,825	**4,495**
Average number of employees	29	26

With reference to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Supervisory and Executive Boards is not disclosed.

3 Financial income

Intercompany interest income	830	189
Other interest income	293	93
	1,122	**283**

4 Financial expenses

Intercompany interest expenses etc	98	883
Other interest expenses	384	236
	482	**1,119**

Notes to the Annual Report

	2016/17	2015/16
5 Corporation tax	USD ´000	USD ´000
Current tax for the year	1,778	1,321
Adjustment of tax previous years	(7)	(155)
Change of deferred tax	589	190
	2,361	**1,356**

6 Proposed distribution of profit

Retained earnings	9,667	5,498
	9,667	**5,498**

Notes to the Annual Report

7 Intangible assets

	Goodwill	Software
	USD ´000	USD ´000
Cost at 1 May	1,811	924
Additions	0	2,801
Cost at 30 April	1,811	3,725
Amortisation at 1 May	1,811	322
Amortisation for the year	0	127
Amortisation at 30 April	1,811	450
Carrying amount at 30 April	**0**	**3,275**

8 Property, plant and equipment and fixed asset investments

	Fixtures and fit-tings, tools and equipment	Deposits
	USD ´000	USD ´000
Cost at 1 May	128	68
Additions	11	0
Cost at 30 April	139	68
Depreciation at 1 May	128	0
Depreciation for the year	2	0
Depreciation at 30 April	129	0
Carrying amount at 30 April	**9**	**68**

Notes to the Annual Report

9 Derivatives and financial instruments

USD'000	2016/17 Assets	2016/17 Liabilities	2015/16 Assets	2015/16 Liabilities
Oil				
Commodity swaps	159,284	(338,412)	181,629	(304,791)
Commodity futures	309,822	(127,913)	319,791	(192,579)
Fixed Price Physical	2,031	(366)	402	(593)
Commodity options	5,721	(3,516)	2,728	(2,247)
Forward foreign exchange contracts	4,614	(814)	2,048	(1,932)
Settled financial instruments	3,937	(5,450)	14,541	(5,695)
	485,410	(476,471)	521,139	(507,837)
Balances qualifying for offsetting				
Commodity swaps, -futures and -options	421,229	(421,229)	424,108	(424,108)
	64,181	(55,242)	97,032	(83,730)
Margin deposits	(23,323)	20,328	(42,530)	50,915
Amounts presented in the balance sheet	**40,858**	**(34,914)**	**54,502**	**(32,815)**
Amounts with right of set-off	13,816	(13,816)	12,350	(12,350)
Net exposure in case of default	**27,042**	**(21,098)**	**42,152**	**(20,465)**

Global Risk Management has a master netting agreement with all clients and counterparties 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.

Notes to the Annual Report

9 Derivatives and financial instruments - fair value hierachy

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

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

USD'000	Level 1	Level 2	Level 3	Total
2016/17				
Financial assets				
Derivatives	313,842	169,750	1,818	485,410
Total	313,842	169,750	1,818	485,410
Financial liabilities				
Derivatives	(133,364)	(343,077)	(30)	(476,471)
Total	(133,364)	(343,077)	(30)	(476,471)
2015/16				
Financial assets				
Derivatives	334,333	186,404	402	521,139
Total	334,333	186,404	402	521,139
Financial liabilities				
Derivatives	(198,275)	(308,969)	(593)	(507,837)
Total	(198,275)	(308,969)	(593)	(507,837)

Notes to the Annual Report

9 Amortisation of day 1 gains

Day 1 gains arise from contract specific margins. Management has determined that a straight line amortisation over the contract term reflect how market participants would price such instruments.

	2016/17
	USD ´000
Deferred day 1 gains at 1 May	(90)
Added day 1 gains this year	3,111
Amortisation this year	837
Deferred day 1 gains at 30 April	**2,184**

Sensitivity of level 3 instruments

The level 3 instruments have been valued with a risk neutral approach based on historically available data for the underlying commodities. If the markets were to become inefficient and risk averse to a degree where all likely market risks were to be priced into the valuation of the level 3 instruments (i.e. at a 95% confidence interval) fair value would decrease by 554t USD.

Sensitivity open net exposure

The overall risk limit set in the risk policy is defined by a maximum net open (unhedged) position in financial instruments for the Company.

The sensitivity of the consolidated net open position is every day calculated on a 1 day Value-at-Risk basis, based on a confidence level of 95% and 500 days historical observations.

Measured on these terms Value-at-Risk was 65t USD for 2016/2017.

Notes to the Annual Report

10 Prepayments

Prepayments consist of prepaid expenses relating to rent, insurance premiums and subscriptions.

11 Equity

The share capital consists of 50,000 shares of DKK 100.

Conversion at historical price USD/DKK of 561.41 equal to USD 890,615.

12 Deferred tax

	2017	2016
	USD ´000	USD ´000
Deferred tax at 1 May	131	(59)
Adjustment of deferred tax previous years	0	58
Change of the year	589	132
Deferred tax at 30 April	**720**	**131**

Deferred tax relates to software and property, plant and equipment.

Notes to the Annual Report

		2017	2016
13	**Security and contingent liabilities**	USD ´000	USD ´000
	Lease obligations:		
	No later than one year	256	357
	Later than one year but no later than 5 years	0	160
		256	**517**
	Hereof Group enterprises	95	81

A/S Global Risk Management Ltd. is an obligor in respect of the bank loans of the Group companies. As at 30 April 2017, these obligations were limited to USD 30 million, which is equal to A/S Global Risk Management Ltd.'s equity and intra-group liability to Bunker Holding A/S as at 30 April 2017.

In the event that these obligations in respect of the bank loans of the Group companies materialise, Bunker Holding A/S will cancel any claim it may have against A/S Global Risk Management Ltd. in an amount equaling the part of the obligations which relate to A/S Global Risk Management Ltd.'s intra-group liability to Bunker Holding A/S.

The Danish Group enterprises are jointly and severally liable for tax on the consolidated jointly taxed income etc. The total corporation tax payable is shown in the Annual Report of Selfinvest Aps, which is the management company of the joint taxation. The Danish Group enterprises are moreover jointly and severally liable for Danish withholding taxes. Any subsequent adjustments of corporation tax and withholding taxes may imply that the Company is liable for a higher amount.

Notes to the Annual Report

14 Related parties

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

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

The Company is included in the Consolidated Financial Statements of the immediate Parent Company, Bunker Holding A/S.

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

15 Subsequent events

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

16 Fee to auditors appointed at the general meeting

Fee to auditors appointed at the general meeting is stated in the Annual Report of Bunker Holding A/S.

Accounting Policies

Basis of Preparation

The Annual Report of A/S Global Risk Management Ltd. for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

As of 2016/2017 the Company applies the option in the Danish Financial Statements Act to recognise, measure and disclose financial instruments in accordance with IFRS as adopted in EU with early adoption of IFRS 9, Financial Instruments. Application of these standards have resulted in a change in the amounts presented as derivative financial instruments and related settlement amounts and collateral receivable and payable. The change is due to the more specific requirements under IFRS in respect of offsetting financial assets against financial liabilities. As of 2016/2017, the net amount of derivative financial assets and liabilities are presented as separate line items, and settlement amounts related to derivative financial assets and liabilities are presented as part of these line items.

The above has resulted in the following reclassifications for 2015/2016:

USD ´000	Reported	Adjusted	Change
Trade receivables	42,087	12	-42,075
Other receivables	25,863	6	-25,857
Derivative financial instruments	0	54,502	54,502
Total impact on assets			**-13,430**

USD ´000	Reported	Adjusted	Change
Trade payables	9,631	2,606	-7,025
Prepayments received	39,220	0	-39,220
Other payables	1,519	1,519	0
Derivative financial instruments	0	32,815	32,815
Total impact on liabilities			**-13,430**

The Annual Report for 2016/17 is presented in USD thousands.

Accounting Policies

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

Value adjustments of financial assets and liabilities measured at fair value or amortised cost, are recognised in the income statement. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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.

Financial assets and liabilities are initially measured at fair value. Other assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

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

Presentation currency
The Financial Statements for 2016/17 have been presented in USD. At 30 April 2017 the year-end exchange rate for USD/DKK was 6.81. The comparative figures are translated at the historical year-end exchange rate which as of 30 April 2016 was USD/DKK 6.53.

Accounting Policies

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

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

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments
Derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently remeasured at their fair values. Any difference between the transaction price and fair value determined when applying a valuation model, which is not solely based on observable market data is deferred and recognised over the term of the contract.

Derivative financial assets and liabilities and related collateral payable and receivable are presented net if the Company has both a current legally enforceable right to set off the recognised amounts and and intends to settle net. 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 based on recent transactions, transactions with similar products etc.

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

The contracts entered into as of 30 April 2017 comprise commodity derivatives.

Fair value gains and losses net related to commodity derivatives are presented as net gain on derivatives and financial instruments.

Accounting Policies

Income Statement

Net gain on derivatives and financial instruments
Net gain on derivatives and financial instruments includes fair value gains and losses net related to commodity derivatives.

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

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

Financial income and expenses
Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payment and repayment under the onaccount taxation scheme.

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.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

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

Accounting Policies

Balance Sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortisation calculated on a straight-line basis over the expected useful lives of the assets.

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

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

Goodwill	max. 20 years
Software	3-5 years

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 straight-line basis over the expected useful lives of the assets:

Fixtures and fittings, tools and equipment	3-10 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Accounting Policies

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.

Prepayments
Prepayments comprise prepaid expenses paid in respect of expenses in subsequent years.

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

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.

Accounting Policies

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

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

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

Cash flows from financing activities
Cash flows from financing activities comprise cash flows from the raising and repayment of 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 ”Credit institutions” under short-term debt.

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

Definition of financial ratios

Profit margin	=	Profit before financials x 100 Net gain on derivatives and financial instruments
Return on equity	=	Net profit for the year x 100 Average equity
Liquidity ratio	=	Current assets Short-term debt
Solvency ratio	=	Equity at year end x 100 Total assets