

Annual Report 2019/20

Global Risk Management Holding

A/S Global Risk Management Ltd. Holding

Strandvejen 7, DK-5500 Middelfart, Denmark
VAT no. 79332216

The Annual Report was presented and adopted at the Annual General Meeting of the company on 24 June 2020
Financial year 1 May 2019 – 30 April 2020



Keld Rosenbæk Demant **Chairman**

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Company facts

The company

A/S Global Risk Management Ltd. Holding
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Financial year: 1 May - 30 April
Municipality of reg. office: Middelfart

Board of Directors

Keld Rosenbæk Demant, Chairman of the Board
Michael Krabbe, Board Member
Peder D. Møller, Board Member

Executive Management

Peder D. Møller, Chief Executive Officer
Niels Hyldegaard Kristensen, Chief Financial Officer

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Management's review

Financial highlights of the company

Key figures and financial ratios have been prepared according to the same method as preceding years. As of the financial year 2017/18, the MIFID related activities of A/S Global Risk Management Ltd. Holding were transferred to the newly established sister company

A/S Global Risk Management Ltd. Fondsmæglerselskab and the Singapore Branch was changed into a Singapore based subsidiary. Thus, the key figures and financial ratios for 2017/18 and onwards do not include the transferred activities. The key figures and financial ratios for 2016/17 and preceding years have not been adjusted.

As of the financial year 2016/17, the Company applied IFRS for recognising and measuring financial instruments. This resulted in reclassification of amounts.

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

USD '000	2019/20	2018/19	2017/18	2016/17	2015/16
Profit/loss					
Net gain on derivatives and financial instruments	1,246	8,146	4,842	20,373	15,710
Profit before financial income and expenses	-4,183	2,882	2,186	11,388	7,690
Net financials	-1,084	-1,126	-119	640	-837
Net profit for the year	-3,281	2,508	12,759	9,667	5,498
Balance sheet					
Balance sheet total	142,847	126,631	88,223	71,009	60,319
Investments in tangible and intangible assets	-638	-1,264	-2,700	-2,812	-4,604
Equity	9,447	12,753	10,245	29,404	19,737
Ratios (%)					
Profit margin	-335,7%	35,4%	45,1%	55,9%	48,9%
Return on equity	-29,6%	21,8%	64,4%	39,3%	29,0%
Liquidity ratio	0,95	0,97	0,94	1,65	1,47
Solvency ratio	6,6%	10,1%	11,6%	41,4%	32,7%

For definitions, please refer to the accounting policies

Management's review (continued)

Review

Activities

The activities of the Company comprise the offering of fixed-price contracts in respect of physical deliveries of fuel and bunker oil and treasury services within fuel price risk management for group related entities.

The Company is represented by own offices in Denmark and a subsidiary in Singapore.

Developments in the year

For the financial year 2019/20 A/S Global Risk Management Ltd. Holding achieved a net gain on derivatives and financial instruments of TUSD 1,246. The result before tax for the year is negative TUSD 4,440 and the net result is negative TUSD 3,281. Equity amounts to TUSD 9,447 at the end of the year. The result for the year is, given the highly volatile market conditions in the oil markets, viewed as acceptable.

Net gain on derivatives and financial instruments is obtained by trading fixed price contracts in respect of physical deliveries of fuel and bunker oil and through the sale and purchase of hedging products with group-related entities who need to secure their budgets against fluctuations in fuel prices. The risks associated with the sale of fixed price contracts and purchase and sale of hedging products is continuously monitored and hedged back-to-back or by correlated contracts assisted by the use of advanced risk assessment methodologies. Both purchased and own-developed systems are used to manage risks.

Efforts and investments have been made in setting up new capabilities within power trading, serving to broaden the potential product offering of derivative instruments. The economic effect of power related derivatives for the year has however been minimal.

Uncertainty related to recognition and measurement For information on insecurities on measurement please refer to note 11.

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 and group-related entities 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 2019/20.

A/S Global Risk Management Ltd. Holding 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

Management's review (continued)

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. Holding consists of three members of which zero is female. In 2019/20 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 Annual General Meeting 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 2019/20.

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.

For the year 2020/21 Management expects a net result between 2.5 and 3 M USD. The improvement in net result compared to the year of 2019/20 is expected to come from new initiatives such as power related derivatives and improved performance and higher activity level from the group related trading activities.

Financial statements

Income statement and statement of comprehensive income

1 MAY - 30 APRIL

USD '000	Note	2019/20	2018/19
Net turnover		9,626	4,506
Cost of goods sold		-8,686	-3,944
Net trading income		306	7,584
Net gain on derivatives and financial instruments	1	1,246	8,146
Other operating income		1,642	1,529
Other external expenses		-2,781	-2,302
Gross profit		107	7,373
Staff expenses	2	-3,100	-2,921
Depreciation		-1,190	-902
Impairments and losses	3	0	-668
Profit before financial income and expenses		-4,183	2,882
Result from investments in subsidiaries		827	1,132
Financial income	4	720	645
Financial expenses	5	-1,804	-1,771
Profit before tax		-4,440	2,888
Corporation Tax	6	1,159	-381
Profit before tax		-3,281	2,508

Financial statements

Balance sheet

Assets

USD '000	Note	2020	2019
Goodwill		0	0
Software		5,095	5,714
Intangible assets	8	5,095	5,714
Furniture, IT and leasehold improvements		149	119
Tangible assets	9	149	119
Investments in subsidiaries	10	12,324	11,522
Deposits	9	44	23
Fixed asset investments		12,368	11,545
Fixed assets		17,612	17,378
Trade receivables		149	34
Receivables from group enterprises		0	412
Receivables from group enterprises, special-term deposits		820	8,146
Corporation tax asset		927	0
Derivatives and financial instruments	11	122,973	100,319
Prepayments	12	246	124
Receivables		125,115	109,035
Cash at bank and in hand		120	218
Current assets		125,235	109,253
Total assets		142,847	126,631

Financial statements

Balance sheet

Liabilities and equity

USD '000	Note	2020	2019
Equity			
Share capital	13	5,000	5,000
Retained earnings		-1,382	596
Reserve for development costs		3,505	5,635
Reserve for result from subsidiaries		2,324	1,522
Total equity		9,447	12,753
Provisions			
Deferred tax	14	1,026	1,258
Total provisions		1,026	1,258
Short term liabilities			
Credit institutions		18,859	292
Trade payables		98	114
Payables to group enterprises		942	33,434
Payables to group enterprises, special term loans		88,271	240
Corporation tax		0	317
Derivatives and financial instruments	11	21,929	75,842
Other payables		2,275	2,381

Financial statements

Balance sheet

Short-term liabilities	132,374	112,620
Total liabilities	132,374	112,620
Total liabilities and equity	142,847	126,631

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Financial statements

Statement of changes in equity

USD '000						2019/20
	Share capital	Retained earnings	Reserve for development costs	Reserve for net value adjustment - equity method	Total	
Equity at 1 May	5,000	596	5,635	1,522	12,753	
Net profit for the year	0	-4,108	0	827	-3,281	
Adjustment to subsidiary equity	0	0	0	-25	-25	
Capitalised development costs	0	2,130	-2,130	0	0	
Equity at 30 April	5,000	-1,382	3,505	2,324	9,447	

USD '000						2018/19
	Share capital	Retained earnings	Reserve for development costs	Reserve for net value adjustment - equity method	Total	
Equity at 1 May	5,000	-104	4,959	390	10,245	
Net profit for the year	0	1,376	0	1,132	2,508	
Capitalised development costs	0	-676	676	0	0	
Equity at 30 April	5,000	596	5,635	1,522	12,753	

Notes to the financial statements

1 Segment information

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

2 Staff expenses

USD '000	2019/20	2018/19
Wages and salaries	2,878	2,793
Pensions	151	121
Other social security expenses	71	7
Total staff expenses	3,100	2,921
Average number of employees	16	11

A/S Global Risk Management Ltd. Holding and A/S Global Risk Management Ltd. Fondsmæglerselskab (CVR: 39 05 56 06) are joint employers of management and employees of A/S Global Risk Management Ltd. Holding.

The average number of employees are adjusted to reflect the current distribution of resources and time between the two companies.

With reference to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Supervisory and Executive Boards is not disclosed. There is no remuneration to the Supervisory Board.

Notes to the financial statements

3 Impairment of receivables and provision for loss

USD '000	2019/20	2018/19
New provisions on receivables	0	251
Losses incurred without precedent provisions	0	417
Impairments and provisions recognized in the income statement	0	668

4 Financial income

USD '000	2019/20	2018/19
Intercompany interest income	498	577
Other interest income	222	69
Total financial income	720	645

5 Financial expenses

USD '000	2019/20	2018/19
Intercompany interest expenses	1,418	1,089
Other interest expenses	386	682
Total financial expenses	1,804	1,771

Notes to the financial statements

6 Corporation tax

USD '000	2019/20	2018/19
Current tax for the year	-927	317
Adjustment of tax previous years	0	-1
Change of deferred tax	-232	64
Total corporation tax	-1,159	381

7 Proposed distribution of profit

USD '000	2019/20	2018/19
Reserve for net value adjustment – equity method	827	1,132
Retained earnings	- 4,108	1,376
Net profit for the year	-3,281	2,508

Notes to the financial statements

8 Intangible assets

USD '000	Goodwill	Software
Cost at 1 May	1,811	7,520
Additions	0	502
Disposals	0	0
Cost at 30 April	1,811	8,022
Depreciation at 1 May	1,811	1,806
Depreciation for the year	0	1,121
Depreciation at 30 April	1,811	2,927
Carrying amount at 30 April	0	5,095

Notes to the financial statements

9 Furniture, IT, leasehold improvements and fixed asset investments

USD '000	Furniture, IT and leasehold improvements	Deposits
Cost at 1 May	283	23
Additions	99	37
Disposals	0	16
Cost at 30 April	382	44
Depreciation at 1 May	164	0
Depreciation for the year	69	0
Reversed depreciation on sold assets	0	0
Depreciation at 30 April	233	0
Carrying amount at 30 April	149	44

Notes to the financial statements

10 Investments in subsidiaries

USD '000	2019/20	2018/19
Cost at 1 May	10,000	10,000
Additions	0	0
Disposals	0	0
Cost at 30 April	10,000	10,000
Value adjustments 1 May	1,522	390
Adjustment to equity	-25	0
This year's result in subsidiaries	827	1,132
Value adjustments 30 April	2,324	1,522
Total book value of investments in subsidiaries 30 April	12,324	11,522

Investment in subsidiaries are specified as follows (TUSD):

Name	Share capital	Owner share	Equity	This year's result
Global Risk Management Pte. Ltd. Domiciled in Singapore	10,000	100%	12,324	827

Notes to the financial statements

11 Derivatives and financial instruments

USD '000	2019/20 Assets	2019/20 Liabilities	2018/19 Assets	2018/19 Liabilities
Oil				
Commodity swaps	1,151,202	-963,768	253,943	-279,574
Commodity futures	827,900	-1,036,190	131,410	-94,608
Fixed Price Physical	10,011	0	2,233	-89
Commodity options	40,876	-40,199	12,113	-12,170
Forward foreign exchange contracts	16,781	-16,753	0	-10
Settled financial instruments	56,873	-10,877	11,507	-5,667
	2,103,643	-2,067,787	411,206	-392,118
Balances qualifying for offsetting				
Commodity swaps, -futures and -options	-1,659,535	1,659,535	-256,471	256,471
	444,108	-408,252	154,734	-135,647
Margin deposits	-321,135	386,323	-54,416	59,805
Amounts presented in the balance sheet	122,973	-21,929	100,319	-75,842
Amounts with right of set-off	-5,134	8,337	-46,436	46,436
Net exposure in case of default	117,839	-13,592	53,883	-29,406
Amounts presented in balance sheet from related parties	35,585	-14,639	22,337	-47,375

Notes to the financial statements

11 Derivatives and financial instruments - fair value hierarchy

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:

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
2019/20				
Financial assets				
Derivatives	884,773	1,208,859	10,011	2,103,643
Total	884,773	1,208,859	10,011	2,103,643
Financial liabilities				
Derivatives	-1,047,067	-1,020,720	0	-2,067,787
Total	-1,047,067	-1,020,720	0	-2,067,787
2018/19				
Financial assets				
Derivatives	142,917	266,056	2,233	411,206
Total	142,917	266,056	2,233	411,206
Financial liabilities				
Derivatives	-100,275	-291,788	-55	-392,118
Total	-100,275	-291,788	-55	-392,118

Notes to the financial statements

11 Amortisation of day 1 gains

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

USD '000	2019/20	2018/19
Deferred day 1 gains at 1 May	2,123	1,925
Added day 1 gains this year	1,705	1,807
Amortisation this year	-1,943	-1,608
Deferred day 1 gains at 30 April	1,885	1,904

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 TUSD 1.805.

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 TUSD 99 for 2019/20

Notes to the financial statements

12 Prepayments

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

13 Equity

The share capital consists of 307.974 shares of DKK 100.

Conversion at historical average price USD/DKK of 6,159 equal to USD 5.000.575.

14 Deferred tax

USD '000	2019/20	2018/19
Deferred tax at 1 May	1,258	1,194
Change of the year	-232	64
Deferred day 1 gains at 30 April	1,026	1,258

Deferred tax relates to software and property, plant and equipment and tax loss carry forward.

Notes to the financial statements

15 Security and contingent liabilities

USD '000	2019/20	2018/19
Lease obligations		
No later than one year	211	113
Later than one year but no later than 5 years	13	29
Later than 5 years	0	0
Total lease obligations	224	142
Hereof Group enterprises	114	86

A/S Global Risk Management Ltd. Holding is an obligor in respect of the bank loans of the Bunker Holding Group. As at 30 April 2020, these obligations were limited to USD 97.9 million, which is equal to A/S Global Risk Management Ltd. Holding's equity and intra-group liability to Bunker Holding A/S as at 30 April 2020. In the event that these obligations materialize, Bunker Holding A/S will cancel any claim it may have against A/S Global Risk Management Ltd. Holding in an amount equaling the part of the obligations which relate to A/S Global Risk Management Ltd. Holding's intra-group liability to Bunker Holding A/S.

A/S Global Risk Management Ltd. Holding has issued a guarantee with the sister company A/S Global Risk Management Ltd. Fondsmæglersekskab as beneficiary in respect of the novation of two named client agreements and any obligations related thereto. The total guarantee amount is USD 14 million and an amount of USD 12.2 million has been called. It is assessed likely that the guarantee amounts called will be returned and that the guarantees will not be utilized any further. The guarantee obligation is not recognized in the balance.

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 financial statements

16 Related parties and ownership

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.

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

17 Subsequent events

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

18 Fee to auditors appointed at the Annual General Meeting

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

19 Accounting policies

Basis of preparation

The Annual Report of A/S Global Risk Management Ltd. Holding for 2019/20 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 last year.

The Annual Report for 2019/20 is presented in USD thousands.

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.

Notes to the financial statements

19 Accounting policies (continued)

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 2019/20 have been presented and measured in USD. At 30 April 2020 the year-end exchange rate for USD/DKK was 6.86. The comparative figures are translated at the historical year-end exchange rate which as of 30 April 2019 was USD/DKK 6.65.

Foreign currency translation

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.

Derivatives and 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 intends to settle net. Net amounts of positive and negative fair values of derivative financial instruments are presented in separate line items in the balance sheet.

Fair value of OTC oil derivative contracts is determined on the basis of generally applied forward and option pricing models. Inputs to the models are to the extent possible determined on the basis of observable prices for the underlying products. For contracts where the most significant input is unobservable, Management estimates the input 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 2020 comprise commodity derivatives.

Income statement

Net turnover

The net turnover comprises sale of bunker fuels and sale of power and is recognized as delivery takes place.

Cost of goods sold

Cost of goods sold include purchase of bunker fuels and purchase of power and is recognized at the time of delivery.

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 on-account taxation scheme.

Notes to the financial statements

19 Accounting policies (continued)

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.

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.

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.

Investment in subsidiaries

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

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the ba-

sis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

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

Notes to the financial statements

19 Accounting policies (continued)

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.

Cash flow statement

With reference to section 86 (4) of the Danish Financial Statements Act the Cash Flow Statement is not included. The Cash Flow Statement is part of the Financial Statement from the parent company, Bunker Holding A/S.

Definition of financial ratios

Profit margin

$$= \frac{\text{Profit before financials} \times 100}{\text{Net gain on derivatives and financial instruments}}$$

Return on equity

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

Liquidity ratio

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

Solvency ratio

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

Management's statement

The Executive Board and the Board of Directors have today presented and adopted the Annual Report of A/S Global Risk Management Ltd. Holding for the financial year 1 May 2019 - 30 April 2020.

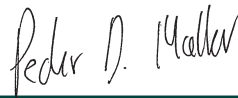
The Annual Report was prepared in accordance with the Danish Financial Statements Acts.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2020 and of the results of the Company's operations for 2019/20.

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

Middelfart, 24 June 2020

Executive Board



Peder D. Møller
Chief Executive Officer

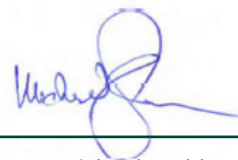


Niels Hyldegaard Kristensen
Chief Financial Officer

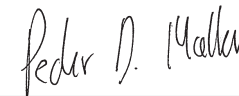
Board of Directors



Keld Rosenbæk Demant
Chairman



Michael Krabbe



Peder D. Møller

Independent auditor's report

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

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2020, and of the results of the Company's operations for the financial year 1 May 2019 - 30 April 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of A/S Global Risk Management Ltd. Holding for the financial year 1 May 2019 - 30 April 2020, which comprise income statement and statement of comprehensive income, balance sheet, 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.

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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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, 24 June 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31



Per Rolf Larssen
State Authorised Public Accountant
mne24822

Annual Report 2019/20

Global Risk Management
Holding

A/S Global Risk Management Ltd. Holding

Strandvejen 7, DK-5500 Middelfart, Denmark