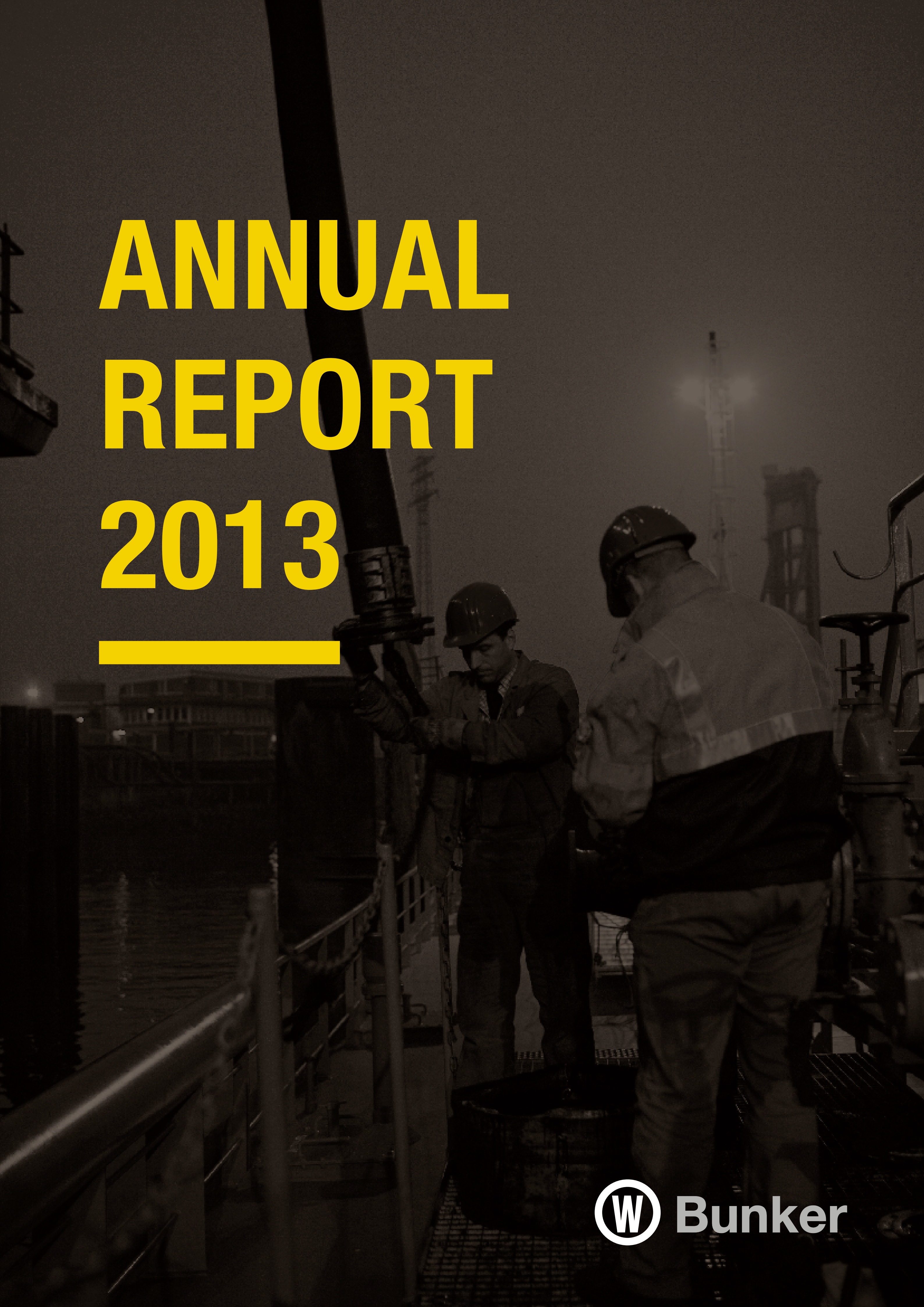
ANNUAL REPORT 2013



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Management's review

Financial statements

> *Last year's results are the continuation of a long track record of profitable, organic growth and a confirmation that our dedication to working integrated with reselling and physical distribution of marine fuel is the right path to success.*

32%

Volume growth to
29.2 million tonnes

33%*

Gross profit growth to
USD 218.8 million

36%*

Profit before tax growth to
USD 86.5 million

31%*

Return on equity

* Adjusted for one-off costs and special items (see page 12 for a description)

FOREWORD BY THE CEO

2013 was another year of solid, and profitable, growth for OW Bunker with some important milestones being reached. Although the global economy is recovering, our results have been achieved on a backdrop of challenging markets for the shipping industry. The growth achieved in 2013 is the continuation of a long track record of growth mainly based on organic growth combined with only few selective and opportunistic acquisitions, and is a result of long-term investments in our organisation and IT infrastructure. But most of all, the results confirm that our dedication to managing reselling and physical distribution as one integrated business has been the right path to success.

During 2013, OW Bunker grew to become a joint global market leader in terms of marine fuel transaction volume with a market share of approximately 7%, and we managed to expand our market share by growing faster than both the market and our key competitors. More importantly, this growth has been achieved without compromising profitability. In fact our profit for the year has grown faster than transaction volume in recent years. With a 36%* increase in adjusted profit before tax on a 32% increase in volume this was also the case in 2013.

The launch of physical distribution in Singapore was another milestone for 2013. It has further enhanced our capacity in the world's biggest marine fuel hub, where we have operated as a reseller for more than 20 years. This, combined with continued expansion of our global team, makes OW Bunker an attractive partner to major shipping companies. The fact that marine fuel can account for more than 70% of a vessel's operating costs (at current marine fuel prices) also supports our business, as large shipping companies increasingly rely on global distributors who can offer competitive terms and add-on services such as provision of trade credit and risk management solutions.

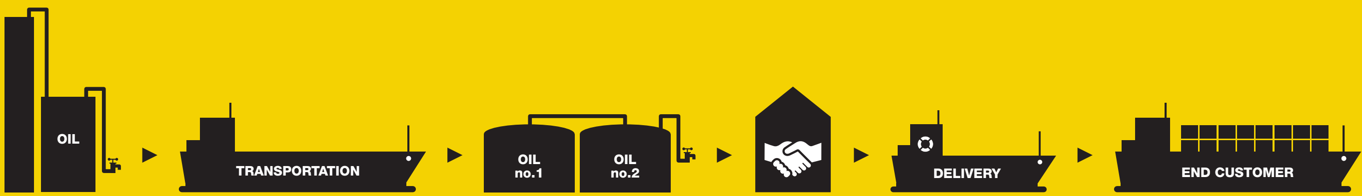
2014 looks to be an exciting year as well. Since 2007, OW Bunker has been owned by Altor Fund II, who plans to partly exit its investment in the company through a public listing of OW Bunker on NASDAQ OMX Copenhagen. I'm proud to say OW Bunker is in great shape to welcome any new owners. Finally, I want to thank our more than 600 dedicated employees for their contributions to a strong 2013.

Jim Pedersen
CEO

OW BUNKER IN BRIEF

OW Bunker is a global marine fuel logistics company founded in Denmark in 1980 with 38 offices in 29 countries, including the world's busiest and most important ports. OW Bunker holds a global market share of approximately 7%, making OW Bunker one of the world's largest independent marine fuel logistics companies.

Marine Fuel Distribution Value Chain



REFINING
Production of fuel oil, distillates and other marine fuel components

TRANSPORTATION
Transportation between production and consumption centres

STORAGE/ BLENDING
Local oil storage/ blending facilities close to consumption centres

SALES/ RESELLING
Management of the marine fuel purchasing process on behalf of the customer and arranging delivery

PHYSICAL DELIVERY
Physical delivery from local storage to vessels in harbour or at sea

END CUSTOMER
Marine fuel purchase and consumption

OW Bunker manages and guarantees delivery of marine fuel to end customers

When operating as a physical distributor, OW Bunker covers most of the marine fuel value chain from transportation of marine fuel and fuel components from refineries, storage and blending through to marketing and sale followed by physical delivery by barges to ships in port or at sea.

When operating as a reseller, OW Bunker manages the marine fuel purchasing process on behalf of the customer, choosing the most competitive offer from a physical distributor, and taking responsibility for delivery and marine fuel quality.

As well as providing assurance of supply, OW Bunker offers risk management services and trade credit, that can lock in customers' costs and protect against market fluctuations through the skilled use of a variety of hedging instruments.

This integrated business model makes OW Bunker an attractive single-supplier for customers around the world who benefit from OW Bunker's global presence, market expertise and strong local relationships.

#1

Joint global market leading marine fuel distributor

622

Employees globally

≈2,900

Customers serviced world wide

Geographic coverage of OW Bunker

38

Offices in 29 countries around the world

The majority of marine fuel transactions are concentrated in a limited number of strategically located ports, generally in areas with high volumes of ship traffic and/or trade. OW Bunker is well represented around the world and provided in 2013 marine fuel and related services to approximately 2,900 customers in 134 countries.

CONSOLIDATED FINANCIAL HIGHLIGHTS AND KEY RATIOS

(USD million)	2013	2012	2011
INCOME STATEMENT			
Revenue	16,986.8	14,123.4	11,750.1
Gross profit	218.8	155.9	144.7
Special items	-3.0	-4.8	-
Profit before interest and tax (EBIT)	102.0	64.6	66.2
Net financial costs	-18.5	-14.3	-13.6
Profit before tax (EBT)	83.5	50.3	52.6
Profit for the year	63.4	42.7	39.1
BALANCE SHEET			
Total non-current assets	147.1	126.8	148.6
Total current assets	1,617.5	1,402.6	1,347.3
Total assets	1,764.6	1,529.4	1,495.9
Total equity	222.8	218.2	176.2
Total non-current liabilities	37.6	333.8	403.1
Total current liabilities	1,504.2	977.4	916.7
Net working capital, including bank credit facility	122.1	121.5	35.6
Net interest bearing debt	503.7	387.2	412.0
Fixed assets acquired in the year	37.1	10.9	4.6
CASH FLOW			
Cash flow from operating activities	-14.8	16.3	-118.7
Cash flow from investing activities	-35.9	7.3	-4.5
Cash flow from financing activities	-35.9	19.3	-7.7
Change in cash and cash equivalents	-86.7	42.8	-131.0
OTHER			
Volume (million tonnes)	29.2	22.1	19.0
Number of employees, average	594	497	435
Number of employees, year-end	622	530	449
ADJUSTED CONSOLIDATED FINANCIAL HIGHLIGHTS AND KEY RATIOS			
ADJUSTED INCOME STATEMENT			
Adjusted gross profit	218.8	164.5	144.7
Adjusted profit before tax (EBT)	86.5	63.7	52.6
Adjusted profit for the year	68.3	49.8	38.9
ADJUSTED FINANCIAL RATIOS			
Adjusted gross profit per tonne (USD)	7.5	7.5	7.6
Adjusted EBT per tonne (USD)	3.0	2.9	2.8
Adjusted EBT conversion ratio	40%	39%	36%
Adjusted return on equity	31.0%	25.3%	24.2%
Equity ratio	12.6%	14.3%	11.8%

Volume includes volumes sold through reselling transactions and physical distribution transactions. In addition, volume includes the limited part of transactions that are cross-sold between reselling and physical distribution, or vice versa.

Adjusted EBT per tonne is calculated as adjusted profit before tax (EBT) divided by volumes measured in tonnes.

Adjusted EBT conversion ratio is calculated as adjusted profit before tax (EBT) divided by adjusted gross profit.

Adjusted return on equity (ROE) is calculated as adjusted profit for the year divided by average total equity.

Description of adjusted consolidated financial items is made on page 12.

Due to a corporate restructuring, comparative figures for 2009 and 2010 have not been included. Please refer to note 30.

THE MARINE FUEL MARKET

Marine refuelling is a logistics business and profits in the industry are driven by the volume of marine fuel distributed and the service margin that marine fuel distributors can add to each tonne of marine fuel they handle.

Global demand for marine fuel is primarily driven by growth in international trade and the level of activity in the marine transportation industry, in particular the number of vessels active at sea. The size of the marine fuel market is generally measured by volume, and is estimated to have grown by more than 3% per year since 2005 and proven resilient in economic downturns. In comparison, global GDP is estimated to have grown by approximately 2% per year in the same period. For the 12 months ended 30 September 2013, the total market volume of marine fuel was estimated to 372 million tonnes.

OW Bunker expects the global marine fuel market measured by volume to continue to grow at a compounded annual growth rate (CAGR) of 3-4% between 2012 and 2016.

The marine fuel market's end users are mainly container vessels, bulk and general cargo carriers and tankers, which are estimated to account for approximately two thirds of total marine fuel consumption. The remainder is split among others, including passenger, cruise, fishing, naval and small vessels.

Market participants and trends

The marine fuel industry has been experiencing structural changes in recent years mainly benefitting leading independent distributors, such as OW Bunker, resulting in an increased market share for this group of market participants. Although the industry has been consolidating, it is still fragmented and the distributor consolidation trend is expected to continue and favour larger distributors with global capabilities.

With an estimated 7% of the market, OW Bunker reached a joint leading global market share by volume for the last 12 months ended 30 September 2013.

The most important trends that have driven the market and that is believed to continue to drive the market are:

- **Retrenchment of major oil companies from the marine fuel market**
  Major oil companies continue to possess a material share of the marine fuel market, but these companies have been reducing their focus on marine fuel distribution.

- **Global partnering and scale of operations**
  Due to the significant cost of marine fuel as a proportion of a vessel's total operating costs, marine fuel custom-

Marine fuel is most commonly delivered to ships by refuelling vessels (barges) in harbour, close to shore or in open water.

> *OW Bunker has gained market share in recent years and with an estimated 7% of the market, OW Bunker reached a joint leading global market share by volume for the last 12 months ended 30 September 2013.*

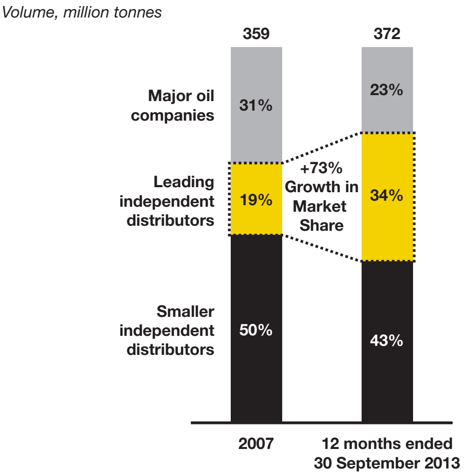
ers are increasingly perceiving marine fuel purchasing as a strategic business process and are professionalising their procurement operations. Accordingly, many large shipping companies are partnering with larger distributors that operate on a global scale.

- **Trade credit and risk management**
  Given that marine fuel is the biggest cost of operating a ship and can account for more than 70% of a vessel's operating costs (at current marine fuel prices), many shipping companies require significant amounts of capital to finance their marine fuel purchases. Accordingly, the availability of trade credit and the provision of risk management solutions as well as the financial stability of the counterparty are important decision parameters that customers consider when selecting a marine fuel distributor. Smaller local and regional distributors often lack the financial and organisational resources to be competitive on such parameters.

- **Increasing regulation**
  Regulation of the oil and shipping industry has increased significantly over the past decade and is expected to continue to do so. Large distributors have the means to efficiently implement and operate under new regulation.

- **Increasing importance of scale and a global presence**
  Larger distributors are expected to benefit from economies of scale and improved terms when dealing with suppliers through large marine fuel off-take volumes. Furthermore, larger distributors are able to benefit from economies of scale in general and administration costs.

BREAKDOWN OF ESTIMATED MARINE FUEL MARKET



Source: Management estimates based on data from industry publications and other information

Leading independent distributors like OW Bunker have increased market share in a fragmented market driven primarily by scale advantages and retrenching of major oil companies.

OTHER MARKET TRENDS

Many ship owners and operators have implemented fuel reduction initiatives, such as slow steaming (i.e. lower average vessel speed). Despite this, marine fuel consumption has continued to increase, and OW Bunker believes that the largest impact from slow steaming is already reflected in the current global marine fuel volumes and that vessel speeds will not decrease beyond the current levels.

OW Bunker also does not consider it likely that there will be a significant increase in the number of vessels fuelled by liquid natural gas (LNG) in the near future as only limited LNG vessel capacity is registered in order books due to a lack of LNG infrastructure capable of servicing major shipping routes. In a growing LNG market, large marine fuel distributors, such as OW Bunker, would be well positioned to expand into LNG distribution using their existing customer relationships, infrastructure, systems and industry experience.

OW BUNKER'S BUSINESS MODEL AND STRATEGY

OW Bunker markets, sells and distributes marine fuel and refuelling related services on a global basis to vessels in port and offshore. OW Bunker's profits are driven by the volume of marine fuel distributed and the service margin charged to customers for each tonne of marine fuel distributed and not by the underlying marine fuel prices.

OW Bunker operates with an integrated business model, serving customers with reselling and physical distribution of marine fuel. OW Bunker controls and manages the customer relationship throughout the entire transaction and provides value added services, such as risk management products and provision of trade credit. Marine fuel price risk and credit risk is mitigated through hedging and insurance.

From 2011 to 2013, OW Bunker's volume grew at a CAGR of 24%, while the adjusted gross profit and adjusted profit for the year grew at a CAGR of 23% and 33%, respectively. This financial development demonstrates the scalability of OW Bunker's business model, with profit for the year growing at a faster pace than volume and gross profit.

Historically, OW Bunker has delivered a high return on equity with an average adjusted return on equity of 27% for the three years ended 31 December 2013. The high return on equity has been achieved through the integrated business model, which has a limited fixed asset base, strong and scalable operating platform and OW Bunker's ability to obtain operational financing for the working capital, which has limited the need to finance growth with equity.

≈48,000

Customer transactions world wide

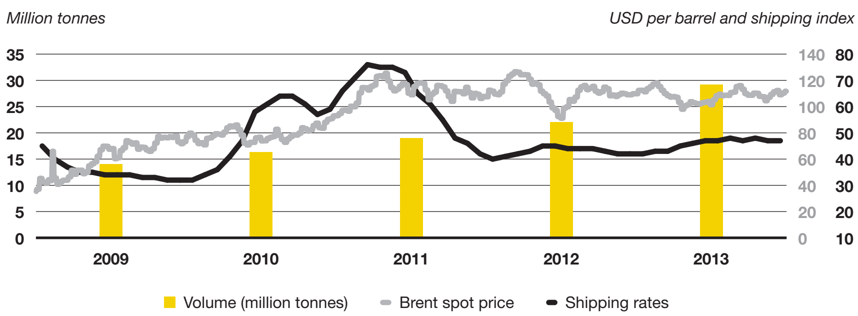
Benefits of an integrated business model

OW Bunker is one of the few leading, independent distributors with a global footprint and a substantial presence both as reseller and as physical distributor. The integrated business model and global reach allow OW Bunker to provide a high quality service to customers based on their specific time and location preference. The integrated business model also increases the stability of OW Bunker's earnings and improves profitability as the physical operations benefit from orders received through OW Bunker's approximately 200 resellers located worldwide.

Strong value proposition to customers

OW Bunker has longstanding customer relationships with various entities, including many of the world's largest shipping companies. In addition, OW Bunker continuously seeks to expand and strengthen relationships by striving

OW BUNKER ANNUAL VOLUME COMPARED TO BRENT SPOT PRICE AND SHIPPING RATES



As changes in marine fuel prices is passed through to customers, marine fuel distributors' margins are not directly exposed to marine fuel price fluctuations. Furthermore, growth of the marine fuel market volume is not directly affected by short-term price fluctuations of oil or other underlying commodities, nor the price of new vessels or shipping rates.

Source: Volume: Company information; Brent spot price: EIA (31 December 2013); Shipping rates: Clarkson (31 December 2013) to be at the forefront of the marine fuel distribution industry with respect to high quality, transparency and professionalism. Specifically, OW Bunker offers customers:

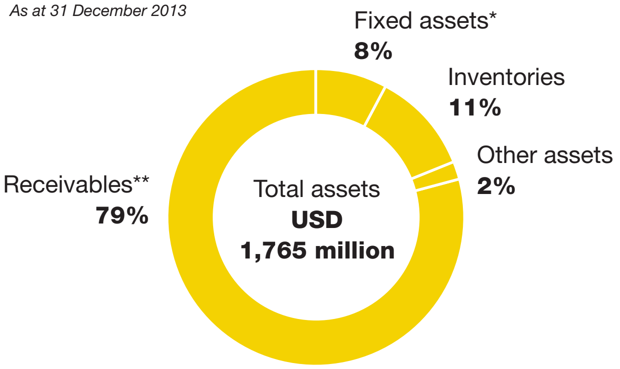
- Competitive pricing on marine fuel and related services given OW Bunker's scale with marine fuel suppliers
- One-stop shop based on OW Bunker's global presence and breadth of knowledge, including technical capabilities and risk management expertise
- Risk management solutions effectively allowing customers to better control and manage marine fuel costs and achieve protection against commodity price fluctuations
- Assurance in correct and timely execution of customer orders and product quality
- Trade credit, which is important for customers given the significant amounts of capital required to finance marine fuel purchases.

Limited and flexible fixed asset base

OW Bunker's business model requires a limited fixed asset base. As at 31 December 2013, tangible fixed assets represented only 4.2% of total assets, as most assets and liabilities of OW Bunker were working capital items. Tangible fixed assets consist primarily of a fleet of 10 owned vessels. OW Bunker also charters 19 vessels for periods ranging from three to twelve months. If dynamics change for physical distribution, OW Bunker can, due to the relatively short charter periods, relatively quickly adjust the fleet of chartered vessels or relocate vessels to maximise capacity utilisation without making additional investments. The flexible business model supported by a limited fixed asset base is scalable to accommodate future growth.

BREAKDOWN OF TOTAL ASSETS

As at 31 December 2013



* Fixed assets include intangible assets, property, plant and equipment and deferred tax asset.
** Receivables include trade receivables (77% of total assets), other receivables, current tax and prepayments.

Key strengths and strategic focus areas

As outlined above, OW Bunker's competitiveness is based on certain market traits and key company-specific strengths:

- Attractive growth market with resilience to economic downturns
- A leading marine fuel distributor in a fragmented market positioned for further growth
- Flexible business model with a limited fixed asset base
- Robust risk management system and culture that underpins stable performance
- Strong scalable operating platform
- Strong financial profile with attractive cash flow generation.

STRATEGIC FOCUS AREAS

Based on these core traits and strengths, OW Bunker has defined a number of strategic focus areas to support further growth that build on OW Bunker's market position, scale of operations and integrated business model, among others:

- Strengthening of existing worldwide operations in close cooperation with customers

- Organic growth through geographical expansion into selected locations in the Americas, Asia and Europe

- Continue to complement organic growth with selective acquisitions when attractive opportunities arise.

In June 2013, OW Bunker launched physical distribution operations in Singapore. This further enhances OW Bunker's capacity in the region where it has operated as a reseller for 20 years.

History

OW Bunker was founded in Aalborg, Denmark in 1980 as part of the ship chandler Ove Wrist (Wrist Group), which dates back to the 1950's. While Ove Wrist delivered a wide range of ship supplies to customers, OW Bunker's sole focus was on physical distribution of marine fuel.

Initially, OW Bunker's geographic expansion was on markets in Scandinavia and Northern Europe, but in 1992, the company opened its first overseas operation in Singapore in response to growing demand from international customers. Between 2000 and 2006, the company adopted a strategy of becoming a leading player in the global marine fuel market.

In 2007, Wrist Group was acquired by Altor Fund II, and since then the global expansion, primarily through organic growth, has continued. In recent years, OW Bunker has focused on developing and strengthening a centralised platform, which includes risk management, credit evaluation, IT, financial controls, cash management and sales systems. This platform has allowed OW Bunker to monitor and control its global business more efficiently and effectively, and it provides continuous access to aggregated real time data fro m the global operations to central management.

Today, OW Bunker has a global leading market share and operations spanning across Europe, Asia, the Middle East, North and South America and Africa.

OPERATING AND FINANCIAL REVIEW 2013

ADJUSTED FINANCIAL MEASURES

USD million	2013	2012
Reconciliation of adjusted gross profit to IFRS gross profit:		
Gross profit	218.8	155.9
One-off costs from terminated activities	-	8.6
Adjusted gross profit	**218.8**	**164.5**
Reconciliation of adjusted profit before tax (EBT) to IFRS profit before tax (EBT):		
Profit before tax (EBT)	83.5	50.3
One-off costs from terminated activities	-	8.6
Special items	3.0	4.8
Adjusted profit before tax (EBT)	**86.5**	**63.7**
Reconciliation of adjusted profit for the year to IFRS profit for the year:		
Profit for the year	63.4	42.7
One-off costs from terminated activities	-	8.6
Special items	3.0	4.8
Tax regarding previous years	1.5	-4.3
Tax effect from one-off costs from terminated activities and special items	0.5	-2.0
Adjusted profit for the year	**68.3**	**49.8**

Adjusted financial measures

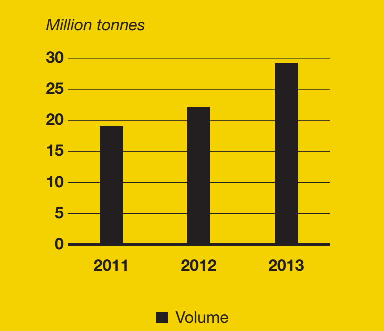
Certain financial measures and ratios used in this Management's Review are not recognised measures under IFRS, including "adjusted gross profit", "adjusted profit before tax (EBT)" and "adjusted profit for the year", and related ratios. OW Bunker's management uses these measures to monitor the underlying performance of the business and operations otherwise affected by one-off costs and special items not directly attributable to the ordinary operating activities.

Special items are recognised in the consolidated income statement in a separate line. Cost of goods sold in 2012 included a one-off cost from terminated activities of USD 8.6 million. Tax regarding previous years and tax effect from terminated activities and special items has also been adjusted in order to show the development in ordinary operating activities.

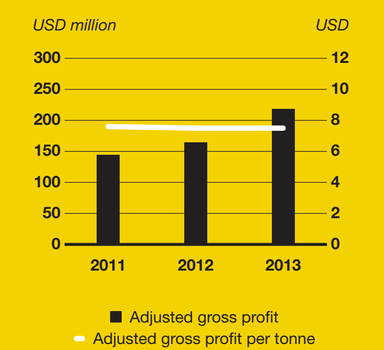
Income statement

Revenues reached USD 16,986.8 million in 2013, an increase of USD 2,863.4 million (20%) from USD 14,123.4 million in 2012. The revenue increase was primarily attributable to the growth in volume from 22.1 million tonnes for

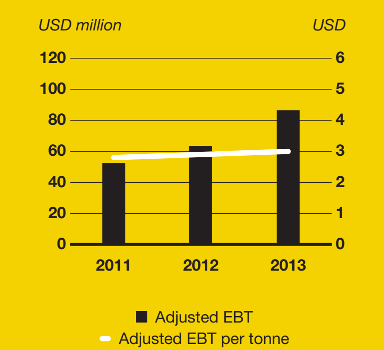
MARINE FUEL VOLUME



ADJUSTED GROSS PROFIT



ADJUSTED PROFIT BEFORE TAX (EBT)



2012 to 29.2 million tonnes in 2013, but partially offset by a decrease in the average sales price per tonne of marine fuel.

The volume growth in 2013 was primarily driven by increasing sales to existing and new customers in existing locations around the world, especially Asia, Northern Europe and the Americas, but also by expansion into new geographies.

COST OF GOODS SOLD
Cost of goods sold was USD 16,667.2 million in 2013, an increase of USD 2,782.3 million (20%) from USD 13,884.9 million in 2012. Excluding the impact of one-off costs in 2012, the increase in cost of goods sold was also 20%. The increase was primarily attributable to the increase in volume, but partly offset by a decrease in average purchase price per tonne of marine fuel. Fluctuations in the purchasing prices are generally passed through to customers and do not directly impact the profitability.

OPERATING COSTS
Operating costs was USD 100.8 million in 2013, an increase of USD 18.2 million (22%) from USD 82.6 million in 2012. The increase in operating costs was primarily attributable to increased time charter costs for the fleet of vessels and an increase in other operating costs, such as harbour costs, insurance costs, other charter costs, demurrage and commission costs. The increase was partially offset by lower storage costs.

GROSS PROFIT
Gross profit was USD 218.8 million in 2013, an increase of USD 62.9 million (40%), as compared to USD 155.9 million for the previous year. The increase was primarily attributable to the increase in volume. Excluding the impact of one-off costs in 2012, adjusted gross profit increased 33% from USD 164.5 million in 2012.

Gross profit per tonne
OW Bunker's strong risk management function has historically allowed OW Bunker to maintain a relatively stable gross profit per tonne, as the price of marine fuel is passed through to customers or hedged by the risk management department. This stability has also been achieved in recent years during a period that has seen significant volatility in the global economy and in the market environment for main marine fuel customers. The gross profit per tonne was USD 7.5 in 2013 and USD 7.1 in 2012. Excluding the impact of one-off costs in 2012, adjusted gross profit per tonne was also USD 7.5 in 2012.

7.5

Adjusted gross profit (USD) per tonne

Marine refuelling is a fuel logistics business

Marine refuelling is a fuel logistics business. Profits are driven by the volume of marine fuel distributed and the service margin charged to customers for each tonne of marine fuel distributed, and not by the underlying price of marine fuel. As such, gross profit is considered to be the best measure of OW Bunker's topline. Furthermore, interest costs are considered of an operational nature as the service margin includes compensation for the cost of financing working capital. Accordingly the best measures of OW Bunker's performance are:

- Growth in volume of marine fuel distributed (volume)
- Gross profit per tonne of marine fuel distributed (service margin)
- Profit before tax (EBT) per tonne
- Profit before tax (EBT) and profit for the year.

3.0

Adjusted EBT (USD) per tonne

OTHER EXTERNAL COSTS

Other external costs were USD 34.6 million, an increase of USD 4.4 million (15%), as compared to USD 30.2 million in 2012. The increase was primarily attributable to higher selling costs related to higher volumes, as well as slightly higher provisions for bad debt from some of our smaller customers. Due to scalability in operations, other external costs per tonne declined USD 0.2 from USD 1.4 in 2012 to USD 1.2 in 2013.

STAFF COSTS

Staff costs were USD 71.6 million, an increase of USD 21.5 million (43%), as compared to USD 50.1 million in 2012. The increase was primarily attributable to the 20% increase in average number of employees, which grew from 497 in 2012 to 594 in 2013, in order to support the growth of the business at existing and new locations, and also partially attributable to an increase in staff costs per employee.

DEPRECIATION, AMORTISATION AND IMPAIRMENT

Depreciation, amortisation and impairment costs were USD 7.6 million, an increase of USD 1.3 million (21%), as compared to USD 6.3 million in 2012. The increase was primarily driven by slightly higher investments in equipment for vessels, such as flow meters.

SPECIAL ITEMS

The special items came in at a loss of USD 3.0 million compared to a loss of USD 4.8 million in 2012. The special items in 2013 were related to a non-recurring income of USD 1.8 million received as a settlement from a shipyard as well as non-recurring costs of USD 4.8 million related to strategic alternatives explored during the year.

NET FINANCIAL COSTS

Net financials were negative at USD -18.5 million for 2013 compared with USD -14.3 million in 2012. The net cost increase was primarily attributable to increased financial costs related to funding of increased working capital due to increased volume.

PROFIT BEFORE TAX (EBT)

Profit before tax (EBT) was USD 83.5 million in 2013, an increase of 66%, as compared to USD 50.3 million for the year 2012. Adjusted EBT increased 36% from USD 63.7 million in 2012 to 86.5 million in 2013, corresponding to an adjusted EBT per tonne of USD 3.0 in 2013 and 2.9 in 2012.

The adjusted conversion ratio (adjusted EBT as % of adjusted gross profit) was 40% in 2013, up from 39% in 2012. Thus, both the adjusted conversion ratio and the adjusted EBT per tonne were improved in 2013, driven by better operational performance and underlying scale effects.

> *2013 was a great year for OW Bunker with a volume increase from 22.1 million tonnes in 2012 to 29.2 million tonnes in 2013, corresponding to an increase of 32%. Adjusted profit before tax increased 36% to USD 86.5 million. This development highlights OW Bunker's advantages of an integrated business model and benefits from scale.*

31%

Adjusted return on equity

INCOME TAXES
The income taxes were USD 20.1 million compared to USD 7.6 million in 2012, an increase of USD 12.5 million. The effective rate was 24% as compared to 15% in 2012. The increase was primarily driven by relatively higher income from higher tax jurisdictions, adjustments related to prior years and lower tax offsets available in 2013 given no one-off costs from terminated activities and lower special items.

The effective tax rate for these two years together is a better reflection of the underlying corporate income tax rate that was typically applicable to the profit before tax (EBT) over this period.

PROFIT FOR THE YEAR
Profit for the year ended at USD 63.4 million, an increase of USD 20.7 million from USD 42.7 million in 2012, corresponding to a growth of 48%. The increase for the year was primarily driven by the increase in profit before tax (EBT), partly offset by higher corporate income taxes, as discussed above. The adjusted profit for the year, which excludes the impact of one-off costs from terminated activities and special items as well as impact of tax adjustments, was USD 68.3 million, an increase of USD 18.5 million, or 37%, as compared to an adjusted profit for the year of USD 49.8 million in 2012.

Balance sheet

Total assets at 31 December 2013 were USD 1,764.6 million compared to USD 1,529.4 million in 2012. The assets consist primarily of relatively liquid current assets, such as trade receivables and hedged inventories, representing approximately 90% of total assets as at 31 December 2013.

Trade receivables amounted to USD 1,354.1 million representing 77% of total assets. As part of OW Bunker's conservative credit risk management, the majority of receivables are insured.

The equity came to USD 222.8 million at 31 December 2013, corresponding to an equity ratio of 12.6%.

Cash flows

CASH FLOW FROM OPERATING ACTIVITIES
Cash flow from operating activities came in at USD -14.8 million in 2013 compared to USD 16.3 million in 2012. This change resulted primarily from change in trade working capital due to a larger increase in volume in the year 2013 compared to 2012. The change in trade receivables was

OW Bunker's centralised ERP platform integrates all information management solutions both onshore and on board the vessels, and includes risk management, credit evaluation, IT, financial controls, cash management and sales systems, allowing central monitoring of all significant orders, risk positions and pricing globally on a daily and continuous basis.

USD 187.3 million against USD 56.3 million in 2012. The change in trade payables was USD 125.0 million against USD 41.4 million in 2012.

CASH FLOW FROM INVESTING ACTIVITIES
Cash flow from investing activities was USD -35.9 million in 2013 compared to USD 7.3 million in 2012. The investment in 2013 relates mainly to the acquisition of vessels of around USD 30 million and investments in operating assets and equipment of approximately USD 7 million.

CASH FLOW FROM FINANCING
Cash flow used in financing activities for the year ended 31 December 2013 was USD 35.9 million, a change of USD 55.2 million as compared to positive cash flow from financing activities of USD 19.3 million for the year ended 31 December 2012.

OW Bunker A/S was established on 1 January 2013 by the separation of Wrist Group's marine refuelling activities (now OW Bunker) and ship supplies activities (now Wrist Ship Supply A/S). Included in the cash flow used for financing activities for the year ended 31 December 2013 are the effects of the corporate restructuring and the separation of the ship supply activities.

Together, the corporate restructuring and the separation of the ship supply activities had a net negative effect of USD 35.2 million.

CREDIT FACILITY
In December 2013, OW Bunker signed a USD 700 million revolving credit facility, refinancing a USD 450 million facility. The new facility consisting of two tranches, a 364-day and a 3-year multi-currency revolving credit facility, was more than 100% oversubscribed by a syndicate of ING Bank N.V., Nordea, Rabobank International and ten other financial institutions.

As at 31 December 2013, OW Bunker´s total liquidity reserve amounted to USD 303.2 million. In addition, as part of the credit facility, OW Bunker has an option to request a USD 100 million accordion facility at the discretion of each lender.

Outlook 2014

As OW Bunker expects to continue to develop its business, strengthen its market position and further gain market share, and based on current market conditions and outlook, OW Bunker believes that it can grow volume by approximately 10% compared to 2013. OW Bunker expects to continue to benefit from scale in its cost base and aims to increase profit for the year at least in line with the growth in volume. The business mix assumed also implies that OW Bunker's net financing days will decrease slightly.

This annual report contains forward-looking statements. Any forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance, achievements or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, our actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected.

Key events in 2013

OW Bunker A/S was established on 1 January 2013 by the separation of Wrist Group's marine refuelling activities (now OW Bunker A/S) and ship supplies activities (now Wrist Ship Supply A/S).

Also in January 2013, OW Bunker launched an operation in the Nordics that provides customers with a single point of contact and an end-to-end physical distribution solution for marine fuel across the entire region, creating one of the shipping industry's largest physical fuel distribution operations in terms of coverage. To help facilitate the Nordic operation, OW Bunker has acquired two vessels; OW Copenhagen and OW Aalborg, both modern double-hulled 3,500dwt tanker barges, built in 2006 and 2005 respectively.

In February 2013, following the launch of OW Bunker's physical distribution operation in North America in 2012, OW Bunker brought on line its second bunker tanker in the region to operate offshore in the Gulf of Mexico.

In June 2013, OW Bunker launched physical distribution operations in Singapore. This further enhanced OW Bunker's capacity in the region where it has operated as a reseller for more than 20 years.

In August 2013, OW Bunker launched physical distribution operations offshore of West Africa, covering Morocco, Mauritania, Senegal and offshore waters down to the Ivory Coast.

In August 2013, OW Bunker relocated its headquarters in India to new premises in the heart of Mumbai's business district following growth within the region. India is a rapidly growing bunker market and it is critical to ensure that OW Bunker is well positioned to service customers across India and the Subcontinent.

In December 2013, OW Bunker signed a USD 700 million revolving credit facility, refinancing a USD 450 million facility. The new facility consisting of two tranches, a 364-day and a 3-year multi-currency revolving credit facility, was more than 100% oversubscribed by a syndicate of ING Bank N.V., Nordea, Rabobank International and ten other financial institutions.

To support the continued growth of OW Bunker's reselling business, OW Bunker has recruited significantly throughout 2013 on a global basis with new appointments in North America, Europe and Asia. In addition, OW Bunker has seen a general increase in demand throughout 2013 for its risk management services.

All key news from 2013 can be found on OW Bunker's website.

Events after the balance sheet date

In January 2014, OW Bunker announced the launch of a new operation in Colombia. The move into the Colombian bunker market builds upon OW Bunker's presence across the region with existing offices in Chile, Uruguay, Panama and Brazil.

In March 2014, OW Bunker announced its intention to launch an Initial Public Offering and to list its shares on NASDAQ OMX Copenhagen. The contemplated IPO is an important milestone for OW Bunker, providing a long-term platform to support OW Bunker's strategy and future growth, further enhancing its profile as well as providing a diversified base of new Danish and international shareholders, institutional as well as private.

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

CORPORATE GOVERNANCE

Guidelines and recommendations

OW Bunker's Board of Directors and Executive Management ensure that management structures and control systems remain appropriate and function satisfactorily. The foundation for organising management's tasks includes Danish Companies Law, the Financial Statements Act, the Company's Articles of Association as well as the Guidelines for Responsible Ownership and Corporate Governance for Equity Funds in Denmark published by the Danish Venture and Private Equity Association (DVCA). The guidelines contain recommendations on disclosure of a number of issues in the management's review, including strategy and financial information, corporate governance, financial risks and employees. As a company primarily owned by a private equity fund, OW Bunker generally adheres to these guidelines.

Board and Management

As is current practice in Denmark, powers to manage OW Bunker are distributed between the Board of Directors and the Executive Management, which are independent of one another. The Board of Directors is elected by the general meeting of shareholders of the company and all board members are up for election every year. The Executive Management is appointed by the Board of Directors to handle day-to-day management, while the Board of Directors supervises the work of the Executive Management and is responsible for the general strategic direction. The primary tasks for the Board of Directors are to ensure that OW Bunker has a strong management team, an adequate organisational structure, efficient business processes, optimal capital structure, transparent bookkeeping and practices, and responsible asset management.

The composition of the Board of Directors must be such that, at any time, the consolidated competencies of the Board of Directors enable it to supervise OW Bunker's development and diligently address the specific opportunities and challenges faced by OW Bunker. The Board of Directors, together with the Executive Management, develops OW Bunker's overall strategies and oversees that the competencies and resources are in place to maximise the likelihood of OW Bunker achieving its objectives. Furthermore, the Board of Directors oversees the financial development of OW Bunker and the related planning and reporting systems.

OW Bunker's Board of Directors consists of six members elected by the shareholders at the Annual General Meeting. In connection with the restructuring of the Wrist Group effected in 2013, a new Board of Directors was elected in OW Bunker. The majority owner, Altor Fund II*, is represented by Søren Dan Johansen and Petter Samlin. The other four members of the board are considered independent.

Ownership

The following legal entities own more than 5% in OW Bunker A/S:

- OW Lux S.àr.l., ultimately owned by Altor Fund II

The ownership of OW Bunker is divided between the following entities, which are presented for informative purposes and does not reflect the actual legal structure of the entities holding the shares:

- Altor Fund II : 97.7%
- Board of Directors: 0.1%
- Executive Management: 0.9%
- Key employees and other shareholders: 1.3%

* Altor Fund II GP Limited (in its capacity as general partner or investment manager to Altor Fund II) ("Altor Fund II")

RISK MANAGEMENT

The Board of Directors sets the overall framework for managing risks through Group risk policies, which comprise guidelines for managing marine fuel and marine fuel component price and credit risk as well as for insurance matters and treasury related risk. The risk exposure consolidation, reporting and risk monitoring, are centralised and managed from OW Bunker's headquarters in Denmark. A centralised platform that includes risk management, credit evaluation, IT, financial controls, cash management and sales systems, allows Executive Management to monitor all significant orders, risk positions and pricing globally on a daily and continuous basis.

Below is a review of the operational risks currently being considered by the Board and Executive Management as most significant to OW Bunker.

Risks related to the industry

Global demand for marine fuel is primarily driven by the level of activity in the marine transportation industry. Significant economic downturns in one or more regions with consumer-oriented economies, have in the past, and could in the future, reduce international trade volumes, which directly affects the demand for shipping services, and, in turn, the demand for marine fuel. OW Bunker operates globally and in a sector that is likely to be adversely impacted by the effects of political instability, terrorist or other attacks, war, piracy or international hostilities, and any restrictive governmental actions that may result in response to such activity.

Risks related to marine fuel price

Marine fuel and marine fuel component price risk management is integrated throughout the supply chain from the purchase of marine fuel and marine fuel components from suppliers to the sale of marine fuel to customers. The exposure to marine fuel and marine fuel component price volatility arises from OW Bunker's marine fuel inventory, purchase and sales contracts with a fixed price element and derivative instruments where marine fuel or marine fuel related products are the underlying asset.

OW Bunker manages marine fuel and marine fuel component price risk in accordance with the marine fuel and marine fuel component price risk management policy approved by the Board of Directors. The primary goal of the policy is to ensure that the business generates a stable gross profit per tonne by limiting the effects of marine fuel price fluctuations. The overall risk limit set in the policy is defined by a maximum net open (unhedged) position for the Group.

Risks relating to regulation

OW Bunker is required to comply with extensive and complex environmental laws and other regulations relating to among other things the transportation and handling of fuel and fuel products, workplace safety, fuel spillage or seepage, and environmental damage. Changes in such regulations could put upward pressure on the cost of marine fuel relative to other energy sources, which could increase OW Bunker's and customers' costs thus impacting the general profitability of the sector.

Financial risks

CREDIT RISK
Credit risk mainly relates to trade receivables as OW Bunker regularly provides trade credit to customers for their marine fuel purchases. The risk of losses from defaulting debtors is primarily mitigated by credit insurance and maritime lien for marine fuel receivables.

OTHER FINANCIAL RISKS
OW Bunker is exposed to other financial risks, which are described in note 22 to the consolidated financial statements.

Internal controls and risk management systems in relation to financial reporting process

The purpose of OW Bunker's internal controls and risk management systems in relation to the financial reporting process is to ensure timely, accurate and prudent financial reporting. OW Bunker's procedures and internal controls over financial reporting include, among other things:

- Monthly financial highlights that include profit and loss figures and key performance indicators in comparison to budgeted performance and previous year as well as explanations of any deviations

- Preparation of the financial statements in accordance with IFRS as adopted by the EU and additional Danish disclosure requirements and to ensure that the financial statements give a true and fair view, free from material misstatement

- A yearly budget process, a "bottom up" process that results in a budget approved by the Board of Directors, including an income statement, balance sheet and cash flow statement.

CORPORATE SOCIAL RESPONSIBILITY

OW Bunker is subject to various international conventions, laws and regulations in force in the countries in which OW Bunker operates or where its vessels may operate or are registered. OW Bunker is required to comply with extensive and complex environmental laws and other regulations relating to, among other things, the transportation and handling of fuel and fuel products, workplace safety, fuel spillage or seepage, and environmental damage. Due to the global scale of its operations, OW Bunker also has to comply with a broad range of laws and regulations in other areas, such as trade sanctions and anti-bribery laws. Thus, OW Bunker operates in a highly regulated business environment.

CSR Policy

OW Bunker has in 2013 developed a CSR policy that covers all operations. It is a central part of the CSR policy to ensure that OW Bunker is compliant with all relevant conventions, laws and regulation in the countries of operation.

The CSR policy covers the following areas, which have been selected based on a materiality assessment:

- Environment and climate change
- Health & Safety*
- Employee development and well-being*
- Diversity and non-discrimination*
- Anticorruption, anti-bribery and business ethics
- Relevant risks in the supply chain in respect to social and environmental issues*

* Material human rights issues are covered by these areas of the policy.

OW Bunker has a separate policy on improving the gender distribution in management.

Implementation and results

OW Bunker has in 2013 taken a more systematic approach to working with CSR, but data collection and systematic measurement is still in the starting phase. Below is a list of major implementation activities and results for 2013 relating to each area of the CSR policy:

- Environment: Startup of implementation of an environmental management system
- Health & Safety: No work related injuries in 2013
- Employee well-being: The latest employee survey showed an overall satisfaction level at index 75, reflecting a good engagement level throughout OW Bunker
- Employee well-being: In 2013, the employee turnover in OW Bunker was 11%
- Employee development: 58% of commercial staff and managers have received training through the OW Bunker Academy
- Diversity: In OW Bunker's top management group 25% are women and 25% are non-Danes. OW Bunker is currently collecting data related to diversity and equal opportunities to investigate and evaluate whether more initiatives are needed at management levels
- Anti-corruption and business ethics: Implementation of an anti-corruption policy and training of staff in the principles herein. The training will continue in 2014 to include all relevant employees in OW Bunker
- Supply chain risks: Implementation of a software platform to assess risk related to suppliers and sub-suppliers

OW Bunker will proceed to work increasingly systematically with CSR and to implement the policy further in 2014.

For the Board of Directors, the target is to achieve at least a 70/30 distribution between male and female members elected by the general meeting before end of year 2016. Currently, the Board has no female representation.

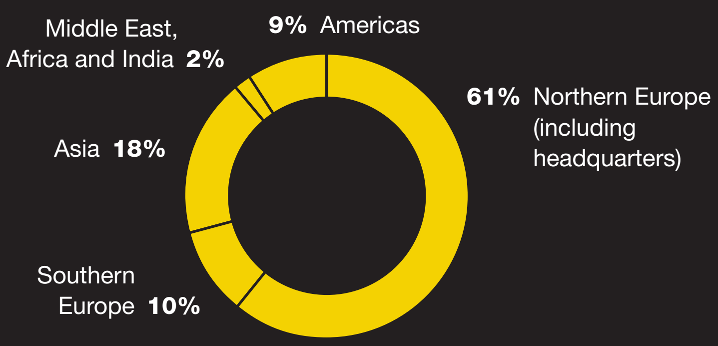
It is a central part of OW Bunker's CSR policy to ensure compliance with all relevant conventions, laws and regulation in the countries of operation. OW Bunker is required to comply with extensive and complex environmental laws and other regulations relating to, among other things, the transportation and handling of fuel and fuel products, environmental damage and workplace safety. In 2013, OW Bunker had no work related injuries.

Employees

As at 31 December 2013, OW Bunker employed 622 employees, which is an increase of 17% from 2012.

OW Bunker highly prioritises job training and staff development. The OW Bunker Academy is OW Bunker's in-house training programme aimed at development of competencies, a strong integration of new employees and maintaining a high level of retention. Further, OW Bunker Academy supports high level of engagement, sustainability and development by continuously strengthening the employee platform at different organisational levels. Especially, the OW Bunker Academy contributes to the employees' solid business understanding through extensive skills training, structured competence development planning, and coaching as a driver for achieving goals. Almost one third of OW Bunker's employees are resellers and specific training programmes have been established for this important group of employees.

EMPLOYEES BY GEOGRAPHICAL REGION (AS AT 31 DECEMBER 2013)



BOARD OF DIRECTORS

Tom Behrens-Sørensen *Søren Johansen* *Petter Samlin* *Niels Henrik Jensen* *Kurt K. Larsen* *Jakob Brogaard*

NIELS HENRIK JENSEN,
Expected new Chairman
(born 1954, Danish nationality)
Expected newly elected board member by the annual general meeting of shareholders in March 2014 followed by appointment as Chairman. Mr Jensen will be considered an independent board member.

Mr Jensen is President and CEO of A/S Det Østasiatiske Kompagni and chairman or member of the board of eight of its subsidiaries. Mr Jensen holds a Master's degree in Law.

Other selected leaderships
- Pro Design International A/S (BM)
- Pro Design Investment A/S (BM)

SØREN JOHANSEN,
Expected new Deputy Chairman
(born 1965, Danish nationality)
Member of the Board of Directors and Chairman since 2013. Expected appointment as Deputy Chairman in March 2014. Mr Johansen is not considered an independent board member due to his affiliation with Altor Fund II.

Mr Johansen is a partner of Altor Equity Partners AB and Chief Executive Officer of Altor Equity Partners A/S. Mr Johansen holds a Master's degree in Law.

Other selected leaderships
- Chairman or member of the board of Haarslev Industries A/S and two of its subsidiaries
- Sonion A/S (C)
- Technoinvest A/S (C)
- B. Bille A/S (C)
- Niels Fuglsang A/S (C)
- Statens Ejendomssalg A/S (C)
- Xilco A/S and Xilco Holding A/S (C)
- Wrist Ship Supply A/S (BM)
- Cam Group Holding A/S and Carnegie Asset Management Holding Danmark A/S (BM)

TOM BEHRENS-SØRENSEN
(born 1958, Danish nationality)
Member of the Board of Directors since 2014. Mr Behrens-Sørensen is considered an independent board member.

Mr Behrens-Sørensen is a graduate from the A.P. Moller Shipping Academy and has also attended management courses at INSEAD and Wharton.

Other selected leaderships
- Odense Maritime Technology A/S (BM)
- Wrist Ship Supply A/S (BM)

JAKOB BROGAARD
(born 1947, Danish nationality)
Member of the Board of Directors since 2013. Mr Brogaard is considered an independent board member.

Mr Brogaard holds a Bachelor's degree of Commerce in financing and accounting.

Other leaderships
- Finansiel Stabilitet A/S (C)

KURT K. LARSEN
(born 1945, Danish nationality)
Member of the Board of Directors since 2014. Mr Larsen is considered an independent board member.

Mr Larsen is trained in freight management.

Other selected leaderships
- Polaris III Invest Fonden (C)
- Chairman or member of the board of DSV A/S and four of its subsidiaries
- Wrist Ship Supply A/S (BM)

PETTER SAMLIN
(born 1979, Swedish nationality)
Member of the Board of Directors since 2013. Mr Samlin is not considered an independent board member due to his affiliation with Altor Fund II.

Mr Samlin is an employee with Altor Equity Partners AB with an internal title of "Director". Mr Samlin holds a Master's degree in Engineering and Business Management from the Royal Institute of Technology in Stockholm, as well as a Bachelor's degree in Business and Administration from Stockholm University School of Business.

Other selected leaderships
- Wrist Ship Supply A/S (BM)
- Dustin Group AB (BM)
- Aktiebolaget Skrindan AB (BM)

(C) : Chairman of the Board of Directors
(BM) : Member of the Board of Directors

MANAGEMENT

Jim Pedersen

Morten Skou

Jane Dahl Christensen

Götz Lehsten

JIM PEDERSEN, CEO
(born 1959)
Jim Pedersen joined OW Bunker in 1997. Jim Pedersen has a number of years of experience in the oil industry having worked for international companies including Danske Shell A/S, Texaco A/S and Dong Energy A/S. Mr Pedersen holds a BCom in export marketing and has had management training at INSEAD.

MORTEN SKOU, CFO
(born 1967)
Morten Skou started as Management Assistant at O.W. Bunker & Trading A/S in 1999. In 2003, he was appointed Vice President to head the Group's marine fuel supply activities. Mr Skou was appointed Executive Vice President – CFO in 2007. Mr Skou has an MSc in business administration and auditing, and has worked as an auditor with Deloitte & Touche and PricewaterhouseCoopers.

JANE DAHL CHRISTENSEN
(born 1968)
Jane Dahl Christensen joined the Group in 2002 as the CFO of Wrist Group. She has worked as a state-authorised public accountant for Ernst & Young in Denmark and abroad. In 2007, Ms Christensen was appointed Executive Vice President – Physical Distribution.

GÖTZ LEHSTEN
(born 1962)
Götz Lehsten joined the Group in 1993 with the responsibility of establishing new operations in Germany. In 2002, Mr Lehsten was appointed Vice President of Reselling and in 2007, he was appointed Executive Vice President – Reselling. Mr Lehsten has more than 20 years of experience in the oil industry.

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Management have today considered and approved the annual report of OW Bunker A/S for the financial year 1 January – 31 December 2013.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in accordance with the Danish Financial Statements Act. The parent financial statements are presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2013 as well as of the results of their operations and cash flows for the financial year 1 January – 31 December 2013.

In our opinion, the management's review contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the Annual General Meeting.

Nørresundby, 24 February 2014

BOARD OF DIRECTORS

Søren Johansen
Chairman

Tom Behrens-Sørensen

Jakob Brogaard

Kurt K. Larsen

Petter Samlin

EXECUTIVE MANAGEMENT

Jim Pedersen
Chief Executive Officer

Morten Skou
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the shareholders of OW Bunker A/S

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT FINANCIAL STATEMENTS

We have audited the consolidated financial statements and parent financial statements of OW Bunker A/S for the financial year 1 January 2013 to 31 December 2013, which comprise the income statement, balance sheet, statement of changes in equity and notes, including the accounting policies, for the Group as well as the Parent, and the statement of comprehensive income and the cash flow statement of the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in accordance with the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT 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 Danish disclosure requirements in accordance with the Danish Financial Statements Act as well as the preparation of parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2013, and of the results of its operations and cash flows for the financial year 1 January 2013 to 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in accordance with the Danish Financial Statements Act.

Further, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31 December 2013, and of the results of its operations for the financial year 1 January 2013 to 31 December 2013 in accordance with the Danish Financial Statements Act.

STATEMENT ON THE MANAGEMENT'S REVIEW

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated financial statements and parent financial statements.

Copenhagen, 24 February 2014

Deloitte
Statsautoriseret Revisionspartnerselskab

Lynge Skovgaard State Authorised Public Accountant	Anders Gjelstrup State Authorised Public Accountant

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Note	USD '000	2013	2012	2011
2, 3	**Revenue**	**16,986,802**	**14,123,387**	**11,750,147**
4	Cost of goods sold	-16,667,232	-13,884,939	-11,512,926
5	Operating costs	-100,786	-82,560	-92,512
	Gross profit	**218,784**	**155,888**	**144,709**
6	Other external costs	-34,570	-30,168	-32,930
7	Staff costs	-71,563	-50,077	-39,388
8	Depreciation, amortisation and impairment	-7,638	-6,291	-6,227
9	Special items	-3,008	-4,770	-
	Profit before interest and tax (EBIT)	**102,005**	**64,582**	**66,164**
10	Financial income	13,072	6,661	5,283
11	Financial costs	-31,609	-20,937	-18,886
	Profit before tax (EBT)	**83,468**	**50,306**	**52,561**
12	Corporate income taxes	-20,096	-7,621	-13,423
	Profit for the year	**63,372**	**42,685**	**39,138**
	Profit attributable to:			
	Owners of OW Bunker A/S	61,984	44,088	38,455
	Non-controlling interests	1,388	-1,403	683
		63,372	**42,685**	**39,138**
18	Earnings per share of DKK 1 (USD)			
	Earnings per share	9.0	6.4	5.6
	Diluted earnings per share of DKK 1 (USD)	8.7	6.2	5.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	USD ‘000	2013	2012	2011
	Profit for the year	**63,372**	**42,685**	**39,138**
	Other comprehensive income			
	Items that will be reclassified subsequently to income statement:			
	Foreign currency translation adjustments, foreign enterprises	572	-299	-3,217
	Cash flow hedges:			
	Fair value adjustment of cash flow hedges	7,407	-3,233	-12,546
11	Reclassification adjustments for amounts recognised in income statement	510	3,711	3,586
	Income tax relating to items that will be reclassifed to income statement	-1,980	-119	2,240
	Other comprehensive income for the year	**6,509**	**60**	**-9,937**
	Total comprehensive income for the year	**69,881**	**42,745**	**29,201**
	Total comprehensive income attributable to:			
	Owners of OW Bunker A/S	68,493	44,148	28,518
	Non-controlling interests	1,388	-1,403	683
		69,881	42,745	29,201

CONSOLIDATED BALANCE SHEET, ASSETS

Note	USD '000	31 December 2013	31 December 2012	31 December 2011
14	Intangible assets	69,777	70,845	63,659
15	Property, plant and equipment	74,424	48,218	79,276
12	Deferred tax asset	2,406	6,881	5,198
	Other receivables	516	861	507
	Total non-current assets	**147,123**	**126,805**	**148,640**
16	Inventories	201,776	163,617	137,652
17	Trade receivables	1,354,105	1,166,793	1,105,927
28	Receivables from related parties	-	28,078	48,598
	Current tax	2,475	2,926	8,602
22.2	Derivatives	9,649	2,732	17,126
	Other receivables	27,215	13,090	5,359
	Prepayments	8,443	9,274	9,679
	Cash and cash equivalents	13,792	16,128	14,350
	Total current assets	**1,617,455**	**1,402,638**	**1,347,293**
	Total assets	**1,764,578**	**1,529,443**	**1,495,933**

CONSOLIDATED BALANCE SHEET, EQUITY AND LIABILITIES

Note	USD '000	31 December 2013	31 December 2012	31 December 2011
18	Share capital	1,256	1,256	1,256
	Reserves	-3,208	-9,717	-9,777
	Retained earnings	225,257	227,064	182,976
	Equity shareholders in OW Bunker A/S	**223,305**	**218,603**	**174,455**
	Non-controlling interests	-490	-362	1,764
	Total equity	**222,815**	**218,241**	**176,219**
19	Borrowings	29,251	309,624	380,875
12	Deferred tax liabilities	4,785	2,141	4,017
20	Provisions	668	575	330
21	Other payables	2,846	21,489	17,840
	Total non-current liabilities	**37,550**	**333,829**	**403,062**
19	Borrowings	468,704	103,629	76,154
	Payables to related parties	567	-	46
20	Provisions	206	146	69
22.2	Derivatives	11,890	13,778	26,157
	Trade payables	947,542	822,584	781,174
	Current tax	18,284	17,996	18,282
21	Other payables	57,020	19,240	14,770
	Total current liabilities	**1,504,213**	**977,373**	**916,652**
	Total liabilities	**1,541,763**	**1,311,202**	**1,319,714**
	Total equity and liabilities	**1,764,578**	**1,529,443**	**1,495,933**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Reserves					
USD '000	**Share capital**	**Hedging reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Equity attributable to owners of OW Bunker A/S**	**Non-controlling interests**	**Total equity**
1 January 2013	1,256	-6,201	-3,516	227,064	218,603	-362	218,241
Profit for the year	-	-	-	61,984	61,984	1,388	63,372
Other comprehensive income	-	5,937	572	-	6,509	-	6,509
Total comprehensive income for the year	**-**	**5,937**	**572**	**61,984**	**68,493**	**1,388**	**69,881**
Minority adjustments	-	-	-	-	-	-1,516	-1,516
Contribution in kind	-	-	-	161,105	161,105	-	161,105
Buy back of shares and repayment of share premium	-	-	-	-224,896	-224,896	-	-224,896
Transactions with shareholders	**-**	**-**	**-**	**-63,791**	**-63,791**	**-1,516**	**-65,307**
Total at 31 December 2013	**1,256**	**-264**	**-2,944**	**225,257**	**223,305**	**-490**	**222,815**
1 January 2012	1,256	-6,560	-3,217	182,976	174,455	1,764	176,219
Profit for the year	-	-	-	44,088	44,088	-1,403	42,685
Other comprehensive income	-	359	-299	-	60	-	60
Total comprehensive income for the year	**-**	**359**	**-299**	**44,088**	**44,148**	**-1,403**	**42,745**
Changes in minorities	-	-	-	-	-	-715	-715
Minority adjustments	-	-	-	-	-	-8	-8
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-723**	**-723**
Total at 31 December 2012	**1,256**	**-6,201**	**-3,516**	**227,064**	**218,603**	**-362**	**218,241**
1 January 2011	1,256	160	-	144,521	145,937	-378	145,559
Profit for the year	-	-	-	38,455	38,455	683	39,138
Other comprehensive income	-	-6,720	-3,217	-	-9,937	-	-9,937
Total comprehensive income for the year	**-**	**-6,720**	**-3,217**	**38,455**	**28,518**	**683**	**29,201**
Changes in minorities	-	-	-	-	-	1,411	1,411
Minority adjustments	-	-	-	-	-	48	48
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**1,459**	**1,459**
Total at 31 December 2011	**1,256**	**-6,560**	**-3,217**	**182,976**	**174,455**	**1,764**	**176,219**

Non-controlling interests of USD -490 thousand in 2013 relate to the subsidiaries O.W. Global Trading A/S and O.W. Riga Bunkering Ltd.

In connection with the corporate restructuring effected to separate the Group's marine refuelling activities and ship supply activities, a capital reduction of USD 224.9 million was carried out through repayment of share premium and buy-back of shares.

Also as a consequence of the restructuring OW Bunker received USD 161.1 milion as proceeds from divestment of Wrist Ship Supply A/S (previously Ove Wrist & Co. A/S). This has been treated as a contribution in kind in the financial statement and recognised directly in equity.

Carve out of Wrist Ship Supply A/S and O.W. Group Administration A/S and effect of transition to IFRS and specification is described in note 30.

CONSOLIDATED CASH FLOW STATEMENT

Note	USD '000	2013	2012	2011
	Profit before interest and tax (EBIT)	102,005	64,582	66,164
	Depreciation, amortisation and impairment	7,638	6,291	6,227
23	Other non-cash movements	2,946	7,124	1,298
		112,589	**77,997**	**73,689**
	Interest received	13,072	6,661	5,283
	Interest paid	-31,609	-20,937	-18,886
	Adjustments:			
23	Changes in working capital	-96,646	-41,640	-164,971
	Income taxes paid	-12,238	-5,790	-13,834
	Cash flow from operating activities	**-14,832**	**16,291**	**-118,719**
	Purchase of intangible assets	-37	-3,908	-600
	Purchase of property, plant and equipment	-37,050	-7,010	-3,961
	Sale of property, plant and equipment	1,157	28,281	12
13	Acquisition of subsidiaries, net of cash acquired	-	-10,076	-
	Cash flow from investing activities	**-35,930**	**7,287**	**-4,549**
	Proceeds from borrowings	21,428	9,465	8,390
	Repayment of borrowings	-22,226	-14,319	-14,532
	Proceeds from finance arrangements with related parties	28,645	20,520	46
	Repayment of payable to related parties	-	-46	-
	Repayment of other receivables	-	-	-1,613
	Proceeds from other receivables	-	3,649	-
	Proceeds from carved out entities	161,105	-	-
	Repayment of share premium and buy-back of shares	-224,896	-	-
	Cash flow from financing activities	**-35,944**	**19,269**	**-7,709**
	Change in cash and cash equivalents	**-86,706**	**42,847**	**-130,977**
	Cash and cash equivalents as of 1 January	-362,244	-403,667	-272,400
	Currency exchange gain/loss on cash and cash equivalents	93	-1,423	-290
23	**Total cash and cash equivalents at 31 December**	**-448,857**	**-362,244**	**-403,667**

Sale of property, plant and equipment in 2012 relates primarily to cancellation fee regarding two new vessels under construction (note 9).

In the corporate restructuring, USD 161.1 million was received from the sale of Wrist Ship Supply A/S (previously Ove Wrist & Co. A/S) to W.S.S. Holding A/S (treated as a "contribution in kind" in the financial statements and recognised directly in equity), and USD 224.9 million was paid by way of a repayment of share premium and buy back of shares. Further, OW Bunker received a repayment of USD 28.6 million from a loan issued to Wrist Ship Supply A/S related to the separation of the ship supply activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes

NOTE 1 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The use of reasonable estimates is an essential part of the preparation of consolidated financial statements. Given the uncertainties inherent in our business activities, Management must make certain estimates and judgments that affect the application of accounting policies and reported amounts of assets, liabilities, sales, costs, cash flow and related disclosures at the date(s) of the consolidated financial statements.

Management bases its estimates on historical experience and various other assumptions that are held to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis and, if necessary, changes are recognised in the period in which the estimate is revised. Management considers the carrying amounts recognised in relation to the key accounting estimates mentioned below to be reasonable and appropriate based on current available information. However, the actual amounts may differ from the amounts estimated as more detailed information becomes available. Management regards the following as the key accounting estimates and assumptions used in the preparation of the consolidated financial statements:

EFFECT OF DISCONTINUED OPERATIONS

OW Bunker A/S was formed on 1 January 2013, and as part of an increase of capital and a subsequent merger the Company acquired the shares in Wrist Marine Supplies A/S by way of a non-cash contribution in November 2013. Prior to that, Wrist Marine Supplies A/S had sold off its subsidiaries, O.W. Group Administration A/S and Wrist Ship Supply A/S. Therefore, at the time of the non-cash contribution, the only remaining activity of the Wrist Marine Supplies A/S Group was the bunker business which had been and will still be operated by Wrist Marine Supplies A/S' subsidiary, O.W. Bunker & Trading A/S.

Since the non-cash contribution of the shares in Wrist Marine Supplies A/S under IFRS is to be deemed a reverse acquisition, the consolidated financial statements of OW Bunker A/S are presented as if Wrist Marine Supplies A/S were the acquirer of assets and liabilities of OW Bunker A/S and not the other way around. Consequently, the consolidated financial statements of OW Bunker A/S reflect the activity existing with the Wrist Marine Supplies A/S Group at the acquisition date, meaning only the bunker business acquired, without any fair value adjustment of net assets and without determining the goodwill related to such business in excess of goodwill already recognised in the consolidated financial statements of Wrist Marine Supplies A/S regarding the bunker activity.

Another consequence of the reverse acquisition is that the consolidated financial statements include comparative figures for financial periods prior to OW Bunker A/S' formation and acquisition of the shares in Wrist Marine Supplies A/S, and that OW Bunker A/S is therefore to apply the provisions of IFRS 1, First-time Adoption of International Financial Reporting Standards, in the preparation of the 2013 consolidated financial statements, the first set of consolidated financial statements of OW Bunker A/S to be presented under IFRS.

As a consequence of the above, the consolidated financial statements only cover the activity that in reality was acquired by OW Bunker A/S as part of acquiring the shares in Wrist Marine Supplies A/S. The activities sold off by Wrist Marine Supplies A/S prior to the time of the non-cash contribution are not included in the consolidated financial statements of OW Bunker A/S as they are not and were not subject to OW Bunker A/S' control. It is the Management's opinion, that including the sold-off activities would be misleading with respect to the Group's current and future activities. Refer to note 30 for further description.

GOODWILL

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.

PROPERTY, PLANT AND EQUIPMENT

Significant accounting estimates include, among other things, estimates of useful lives, scrap values and write-downs on property, plant and equipment.

IMPAIRMENT TEST

Management's assessment of indication of impairment on vessels is based on the cash-generating units (CGUs) in which vessels, are included. If there are indications that the carrying amount of assets exceeds the value of future cash flows from the assets (recoverable amount), an impairment test must be carried out. The recoverable value is calculated as the highest value of the net selling price (fair value less selling costs) and the value in use at continued use.

The impairment test is carried out within the Groups 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.

TRADE RECEIVABLES

Trade receivables are measured at amortised cost less write-down for estimated bad debt losses. Write-down for bad debt losses is based on an individual assessment of each receivable and at portfolio level. If a customer's financial condition deteriorates, and thus the ability to meet the financial obligation to the Group, further write-downs may be required in future periods. In assessing the

NOTE 1 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

adequacy of writedowns 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 behavior. The specific amount provided for as bad debt are accounted for on a customer-level and estimated based on a specific assessment of the customer. In this assessment professional judgment such a possibilities for taking collateral and customer specific knowledge is taken into consideration.

SPECIAL ITEMS

Special items are used in the presentation of the income statement for the year to distinguish certain items from the other items of the income statement. In connection with the use of special items it is crucial that they are significant items not directly attributable to the ordinary operating activities of the group. Special items consist of restructuring costs relating to fundamental structural, procedural and managerial reorganisations as well as any related gains or losses on disposals. Moreover, other significant non-recurring items are classified under this item.

Management exercises careful judgment to ensure a correct distinction between ordinary group operating activities and activities involving income and costs to be presented under special items. Please refer to note 9 for a further specification and description of special items.

NOTE 2 SEGMENT REPORTING

The Group operates with an integrated business model, serving our customers with two distribution models, reselling and physical distribution.

In both models, we control and manage the customer relationship throughout the entire transaction and provide value added products and services, such as risk management solutions and trade credit.

In a physical distribution transaction as in a reselling transaction, we manage and guarantee the delivery of marine fuel to the customer. In addition, we perform the majority of the steps in the marine fuel value chain with infrastructure we control, from sourcing of marine fuel and marine fuel components, storage and blending through to marketing and sale followed by physical delivery to end customers.

In a reselling transaction, we manage and guarantee the delivery of marine fuel to the customer and we purchase both the marine fuel and the physical delivery service from a third-party physical supplier.

The activities in reselling and physical distribution are seen as one integrated business model and are therefore combined into a single reportable segment as they show a similar long-term economic performance, have comparable products and services, customer industries and distribution channels, operate in the same regulatory environment, and are managed and monitored together.

This is reported in a manner consistent with the internal reporting provided for the chief operating decision makers. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the activities, has been identified as the key management personnel.

USD '000	2013	2012	2011
NOTE 2 SEGMENT REPORTING (CONTINUED)			
REVENUE			
Denmark	527,245	535,694	396,774
Northern Europe (other than Denmark)	5,676,493	5,264,008	4,945,819
Southern Europe	1,075,628	1,122,623	1,049,524
Singapore	4,832,759	2,460,748	1,843,872
Asia (other than Singapore)	2,634,475	2,504,471	1,946,092
Middle East and Africa	788,436	936,916	742,812
Americas	1,451,766	1,298,927	825,254
Total	**16,986,802**	**14,123,387**	**11,750,147**

Revenue is classified geographically in respect of the place where goods were delivered.

Non-current assets other than deferred tax assets and other receivables			
Denmark	129,829	105,523	137,572
Norway	4,590	4,666	-
Turkey	3,208	3,747	1,027
Others	6,574	5,127	4,336
Book value at 31 December	**144,201**	**119,063**	**142,935**

Non-current assets other than deferred tax asset and other receivables are classified geographically in respect of country of legal registration.

NOTE 3 REVENUE

Sales of goods	16,964,251	14,109,521	11,725,884
Sales of services	22,551	13,866	24,263
Total	**16,986,802**	**14,123,387**	**11,750,147**

NOTE 4 COST OF GOODS SOLD

The Group enters into derivative contracts in order to mitigate the risk of market price fluctuations in marine fuel. These derivatives are generally used to commercially hedge our physical inventory or an underlying transaction. Gains or losses on these instruments are recognised under cost of goods sold (note 22.2). These gains or losses should not be considered in isolation but in conjunction with the costs of physical inventories shown as "Inventories recognised as a cost" (note 16) included in cost of goods sold in the income statement as they are essentially hedges against price movements on these inventories.

USD '000	2013	2012	2011
NOTE 5 OPERATING COSTS			
Operating lease- and charter costs	-64,104	-38,689	-45,356
Variable lease costs	-2,355	-2,455	-2,203
Bunker consumption costs	-15,464	-15,182	-18,707
Harbour costs	-9,799	-8,275	-9,490
Other vessel and operating costs	-9,064	-17,959	-16,756
Total	**-100,786**	**-82,560**	**-92,512**

NOTE 6 OTHER EXTERNAL COSTS

Other external costs include administrative operating lease costs of USD -3.8 million (2012: -3.0, 2011: -2.6).

Furthermore, other external costs consist of costs for sales, administration, bad and doubtful debt and credit risk protection etc.

USD '000	2013	2012	2011
NOTE 7 STAFF COSTS			
Wages and salaries	-67,342	-46,602	-36,381
Pension costs – defined contribution plans	-2,555	-1,449	-1,184
Other social security costs	-1,666	-2,026	-1,823
Total	**-71,563**	**-50,077**	**-39,388**
Average number of employees	594	497	435
Number of employees year-end	622	530	449
NOTE 8 DEPRECIATION, AMORTISATION AND IMPAIRMENT			
Software	-1,226	-1,216	-1,115
Other intangible assets	-87	-	-
Impairment	-	-	-
	-1,313	**-1,216**	**-1,115**
Operating assets and equipment	-2,571	-2,216	-2,153
Vessels	-3,871	-2,486	-2,181
Impairment	-	-	-
	-6,442	**-4,702**	**-4,334**
Gain/loss disposal of assets	117	-373	-778
	117	**-373**	**-778**
Total	**-7,638**	**-6,291**	**-6,227**

USD '000	2013	2012	2011
NOTE 9 SPECIAL ITEMS			
Cancellation of two new vessels	1,800	-4,770	-
Costs regarding strategic alternatives	-4,808	-	-
Total	**-3,008**	**-4,770**	**-**

Special items 2013
In 2013 management reached an out of court settlement with below mentioned shipyard regarding the cancellation of two new vessels under construction. The case was settled with the shipyard paying additional USD 1.8 million to the Group. The income has been recogniced as a special item.

During 2013 USD 4.8 million has been expensed as costs regarding services rendered in connection with investigations on strategic alternatives. Management finds that these costs are very atypical compared to ordinary activity and has recognised the costs as special items.

Special items 2012
Management decided to cancel the order of two new vessels under construction due to delay of the constructions and as independent technical reports have indicated problems with the quality of the vessels. Capitalised costs of USD 31.5 million relating to the two vessels was expensed in 2012 and the received cancellation fee from the shipyard of USD 26.7 million was offset in the capitalised costs. The net amount of USD 4.8 million was expensed in 2012.

USD '000	2013	2012	2011
NOTE 10 FINANCIAL INCOME			
Interest income	12,076	3,586	2,784
Interest income from related parties	996	1,652	2,209
	13,072	**5,238**	**4,993**
Foreign exchange gains, net	-	1,423	290
Total	**13,072**	**6,661**	**5,283**

USD '000	2013	2012	2011
NOTE 11 FINANCIAL COSTS			
Interest costs	-21,558	-14,402	-12,725
	-21,558	**-14,402**	**-12,725**
Borrowing costs capitalised, on vessels under construction	-	874	1,396
	-21,558	**-13,528**	**-11,329**
Cash flow hedges reclassifed to financial costs	-510	-3,711	-3,586
Other financial costs	-7,037	-3,698	-3,971
	-7,547	**-7,409**	**-7,557**
Foreign exchange losses, net	-2,504	-	-
Total	**-31,609**	**-20,937**	**-18,886**

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation in 2012: 4.0% – 5.9% and in 2011: 4.3% – 5.7%. In 2011 and 2012 interests have been capitalised on vessels under construction. The Group entered into a new bank credit facility end of December 2013. Capitalised borrowing costs will be amortised as from 1 January 2014.

USD '000	2013	2012	2011
NOTE 12 CORPORATE INCOME TAXES			
Current tax:			
Current tax on profits for the year	-11,384	-15,882	-10,012
Adjustments in respect of prior years	-1,492	4,277	277
Total	**-12,876**	**-11,605**	**-9,735**
Deferred tax:			
Movement in deferred tax	-7,360	3,984	-3,688
Impact of change in Danish tax rate	140	-	-
Total	**-7,220**	**3,984**	**-3,688**
Income tax cost recognised in income statement	**-20,096**	**-7,621**	**-13,423**
Income tax charged /credited in other comprehensive income	**-1,980**	**-119**	**2,240**

Tax on other comprehensive income for the year relates to current tax on deferred (gains)/losses on cash flow hedges.

The tax rate is influenced by a number of factors from activities carried out in a large number of tax jurisdictions, including timing effects and geographical differences in mix of profit before tax (EBT).

The average tax rate in the period 2011-2013, after correction for tax adjustments related to prior years and other special items recognised in income statement, is 22.1%.

Income tax costs are explained as follows:	2013	2012	2011
Danish tax rate	25.0%	25.0%	25.0%
Tax rate deviations in foreign entities, net	-3.0%	-9.8%	-2.7%
Tax incentives etc.	-1.5%	0.7%	0.2%
Non-taxable income less non-tax deductable costs (net)	2.1%	-0.9%	0.3%
Withholding taxes	0.2%	0.0%	0.8%
Adjustment of tax in respect of prior years	3.2%	-8.5%	1.2%
Non capitalised tax asset, net movement	-1.9%	4.5%	0.1%
Other special items	0.0%	4.1%	0.6%
Income tax rate	**24.1%**	**15.1%**	**25.5%**

The Danish tax rate is gradually decreased to 22% in 2016. The effect on deferred tax has been recognised in 2013.

USD '000	2013	2012	2011
NOTE 12 CORPORATE INCOME TAXES (CONTINUED)			
DEFERRED TAXES			
Deferred tax at 1 January 2013	4,740	1,181	4,868
Exchange rate adjustments	101	-	-
Deferred tax on profit for the year	-6,220	3,984	-2,786
Addition from acquisitions of subsidiaries	-	-425	-
Adjustments in respect of prior years	-1,140	-	-901
Change in tax rate	140	-	-
Deferred tax at 31 December	**-2,379**	**4,740**	**1,181**
Classified as follows:			
Deferred tax asset	2,406	6,881	5,198
Deferred tax liability	-4,785	-2,141	-4,017
Deferred tax at 31 December	**-2,379**	**4,740**	**1,181**

Deferred tax assets and liabilites are offset where the Group has a legally enforceable right to do so.

	Net of assets and liabilities		
Intangible assets	102	-502	-645
Property, plant and equipment	-176	-4,985	-5,882
Current assets	-4,610	5,801	3,975
Provisions	-	360	215
Tax loss carry forwards	1,635	4,560	3,612
Other	670	-494	-94
Total	**-2,379**	**4,740**	**1,181**
Total	**-2,379**	**4,740**	**1,181**
Unrecognised tax assets	300	1,878	363
Total	**300**	**1,878**	**363**

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. Unrecognised tax asset may be carried forward for a limited period of time, and it is uncertain whether the tax loss can be utilised.

NOTE 13 BUSINESS COMBINATIONS

On 13 December 2012, the Group acquired 100% of the share capital of Bergen Bunkers AS, a marine fuel business operating in Norway (reselling business), for a total consideration of USD 15.1 million.

As a result of the acquisition, the Group is expected to increase its presence in the Norwegian market. The goodwill arising from the acquisition mainly arises from employee resellers. None of the goodwill is expected to be deductible for tax purposes.

The following table summarises the consideration paid for Bergen Bunkers AS, the fair value of assets acquired and liabilities assumed at the acquisition date:

USD '000	13 December 2012
Assets acquired and liabilities recognised at the date of acquisition:	
Current assets	
Cash and cash equivalents	365
Trade receivables	58,955
Other receivables	2,406
Non-current assets	
Property, plant and equipment	200
Current liabilities	
Borrowings	-2,548
Trade creditors	-47,050
Current tax	-874
Other payables	-424
Equity	
Non-current liabilities	
Deferred tax	-425
Total allocation to net assets	**10,605**
Goodwill arising on acquisition	4,465
Total purchase price allocation	**15,070**

Acquisition-related costs of USD 0.6 million have been charged to other external costs in the consolidated income statement for the year ending 31 December 2012.

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

Management has assessed that the fair value adjustment of property, plant and equipment acquired to be insignificant as most of the assets acquired are intangible and mainly represent employees who are resellers. Accordingly management, has included the excess of purchase consideration over the net carrying value and expected synergies acquired under goodwill. Management has concluded that there is no impairment of goodwill.

NOTE 14 INTANGIBLE ASSETS

USD '000	Goodwill	Software	Other intangible assets	Total
Cost				
1 January 2013	69,068	5,806	3,789	78,663
Currency translation adjustments	59	-15	-50	-6
Additions in the year	-	-	37	37
Reclassification	-	1,582	399	1,981
Disposals in the year	-286	-	-1	-287
31 December 2013	68,841	7,373	4,174	80,388
Accumulated amortisation and impairment				
1 January 2013	-3,800	-4,018	-	-7,818
Currency translation adjustments	-33	-	6	-27
Reclassification	-	-1,580	-45	-1,625
Amortisation of disposals in the year	171	-	1	172
Amortisation for the year	-	-1,226	-87	-1,313
31 December 2013	-3,662	-6,824	-125	-10,611
Book value at 31 December 2013	**65,179**	**549**	**4,049**	**69,777**
Cost				
1 January 2012	64,549	5,682	-	70,231
Currency translation adjustments	54	5	-	59
Additions in the year	-	119	3,789	3,908
Acquired in business combinations	4,465	-	-	4,465
31 December 2012	69,068	5,806	3,789	78,663
Accumulated amortisation and impairment				
1 January 2012	-3,771	-2,801	-	-6,572
Currency translation adjustments	-29	-1	-	-30
Amortisation for the year	-	-1,216	-	-1,216
31 December 2012	-3,800	-4,018	-	-7,818
Book value at 31 December 2012	**65,268**	**1,788**	**3,789**	**70,845**

USD '000	Goodwill	Software	Other intangible assets	Total
NOTE 14 INTANGIBLE ASSETS (CONTINUED)				
Cost				
1 January 2011	64,613	5,091	-	69,704
Currency translation adjustments	-64	-9	-	-73
Additions in the year	-	600	-	600
31 December 2011	64,549	5,682	-	70,231
Accumulated amortisation and impairment				
1 January 2011	-3,818	-1,690	-	-5,508
Currency translation adjustments	47	4	-	51
Amortisation for the year	-	-1,115	-	-1,115
31 December 2011	-3,771	-2,801	-	-6,572
Book value at 31 December 2011	**60,778**	**2,881**	**-**	**63,659**

Impairment tests for goodwill
The carrying amount of goodwill has been allocated to the cash generating units (CGUs) of the Group. The Group has 9 CGUs which include goodwill, of which the significant ones are Group companies in Denmark, Norway, Canary Islands and Germany. "Others" comprise goodwill allocated to the remaining CGUs.

Goodwill on cash generating units

USD '000	2013	2012	2011
Denmark	56,216	56,048	56,046
Norway	4,466	4,465	-
Canary Islands	2,444	2,445	2,445
Germany	1,802	1,772	1,749
Others	251	538	538
Book value at 31 December	**65,179**	**65,268**	**60,778**

The impairment tests are based on the estimated value in use, and have been calculated using cash flow projections based on financial budgets for 2014 approved by management. Cash flows beyond this period are estimated on the basis of average growth rates in a terminal value calculation. The growth rates do not exceed the long term average growth rate for the markets in which the CGUs operate. Applied growth rate is 2.0% (2012: 2.0%, 2011: 2.0%). An individual assessment per CGU of growth rates has been made; however most of the CGUs are operating with marine fuel distribution globally. Therefore, management has concluded on the same growth rate for all CGUs and the cost of capital rate before tax is 13.1% (2012: 11.7%, 2011: 11.2%). Cost of capital has mainly been derived from the risk free rate, an assessment of the market risk premium and the tax rate.

During the impairment tests we have concluded that there were no impairment losses for 2013 (2012: no impariment losses, 2011: no impairment losses).

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

USD '000	Operating assets and equipment	Vessels	Vessels under construction	Total
NOTE 15 PROPERTY, PLANT AND EQUIPMENT				
Cost				
1 January 2013	14,409	53,272	-	67,681
Currency translation adjustments	-87	-654	-	-741
Additions in the year	7,162	29,903	-	37,065
Reclassification	-4,142	2,162	-	-1,980
Disposals in the year	-1,451	-4,109	-	-5,560
31 December 2013	15,891	80,574	-	96,465
Accumulated depreciation and impairment				
1 January 2013	-8,380	-11,083	-	-19,463
Currency translation adjustments	17	-179	-	-162
Reclassification	2,875	-1,249	-	1,626
Depreciation of disposals in the year	1,165	1,235	-	2,400
Depreciation for the year	-2,571	-3,871	-	-6,442
31 December 2013	-6,894	-15,147	-	-22,041
Book value at 31 December 2013	**8,997**	**65,427**	**-**	**74,424**
Of which finance leases amounts	-	-	-	-
Cost				
1 January 2012	11,633	50,987	31,979	94,599
Currency translation adjustments	51	92	-	143
Additions in the year	2,777	2,941	1,294	7,012
Acquired in business combinations	279	-	-	279
Disposals in the year	-331	-748	-33,273	-34,352
31 December 2012	14,409	53,272	-	67,681
Accumulated depreciation and impairment				
1 January 2012	-6,332	-8,991	-	-15,323
Currency translation adjustments	-110	-35	-	-145
Depreciation of disposals in the year	278	429	-	707
Depreciation for the year	-2,216	-2,486	-	-4,702
31 December 2012	-8,380	-11,083	-	-19,463
Book value at 31 December 2012	**6,029**	**42,189**	**-**	**48,218**
Of which finance leases amounts	-	-	-	-

Refer to note 9 regarding disposal of vessels under construction in 2012.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

USD '000	Operating assets and equipment	Vessels	Vessels under construction	Total
Cost				
1 January 2011	11,221	52,226	29,904	93,351
Additions in the year	2,017	-	2,075	4,092
Disposals in the year	-1,605	-1,238	-	-2,843
31 December 2011	11,633	50,988	31,979	94,600
Accumulated depreciation and impairment				
1 January 2011	-5,421	-6,901	-	-12,322
Depreciation of disposals in the year	1,242	90	-	1,332
Depreciation for the year	-2,153	-2,181	-	-4,334
31 December 2011	-6,332	-8,992	-	-15,324
Book value at 31 December 2011	**5,301**	**41,996**	**31,979**	**79,276**
Of which finance leases amounts	-	-	-	-

Impairment test

The carrying amount of the vessels has been allocated to four cash generating units which includes the vessel and the entity within the Group for which the vessels generate cash flows. No indications of impairment were identified.

NOTE 16 INVENTORIES

USD '000	31 December 2013	31 December 2012	31 December 2011
Inventories carried at fair value less cost to sell	201,776	163,617	137,652
Total at 31 December	**201,776**	**163,617**	**137,652**
Inventories recognised as a cost (included in cost of goods sold)	-16,684,715	-13,822,730	-11,492,066

Inventory measured at fair value less costs to sell has been classified as level 2 in the fair value hierachy.

Inventory is recognised at fair value equal to the official Platts quotation for the specific type and quality of oil product. The valuation approach is unchanged from previous years.

USD '000	31 December 2013	31 December 2012	31 December 2011
NOTE 17 TRADE RECEIVABLES			
Trade receivables	1,389,427	1,196,488	1,135,317
Less provision for losses	-35,322	-29,695	-29,390
Total at 31 December	**1,354,105**	**1,166,793**	**1,105,927**
Changes in provision for losses			
Impairment at 1 January	-29,695	-29,390	-27,326
Provisions made	-7,708	-4,786	-5,650
Unused provision reversed	1,564	793	874
Debtors written off previously provided for	517	3,688	2,712
Provisions at 31 December	**-35,322**	**-29,695**	**-29,390**

The provisions and release of provisions for impaired receivables have been included in "Other external costs".

Ageing analysis of trade receivables			
Not past due	1,041,008	978,717	973,043
1-30 days	243,387	147,732	104,172
30-60 days	48,311	17,944	20,588
more than 60 days	56,721	52,095	37,514
Total at 31 December	**1,389,427**	**1,196,488**	**1,135,317**

Impaired trade receivables are all overdue by more than 60 days.

Impaired trade debtors
The amount of the provision was USD 35.3 million (2012: 29.7, 2011: 29.4). The individually impaired receivables mainly relate to shipping companies, which are in unexpectedly difficult financial situations. It was assessed that a portion of the receivables are expected to be recovered.

Credit risk is described in note 22.3.4. Significant accounting estimates regarding trade receivables is described in note 1.

The carrying amount of trade receivables are denominated in the following currencies:

USD	1,304,363	1,135,274	1,086,644
DKK	4,239	11,295	7,890
EUR	28,818	9,889	6,080
GBP	2,945	1,914	147
Other currencies	13,740	8,421	5,166
Total at 31 December	**1,354,105**	**1,166,793**	**1,105,927**

NOTE 18 SHARE CAPITAL AND EARNINGS PER SHARE

USD '000	31 December 2013	31 December 2012	31 December 2011
Share capital, beginning of the year	1,256	1,256	1,256
Book value at 31 December	**1,256**	**1,256**	**1,256**
Dividend per share	-	-	-

OW Bunker A/S was established on 1 January 2013. As described in note 30 comparative figures have been included even though 2013 is the first financial year of the company.

The share capital has according to the register of shareholders a nominal value of DKK 6,892,477 and consist of:
6,892,477 shares of DKK 1, corresponding to USD 1.256 million.

No shares have any special rights.

The Group defines the capital that it manages as the Group's total equity, including non-controlling interests.

While maintaining a prudent and commercially effective capital structure with an equity to total assets ratio of at least 10%, the Board of Directors has adopted a policy from 2014 to distribute at least 50% of our profit for the year to shareholders. This policy is designed to provide a meaningful direct return to shareholders, while maintaining a sufficient level of equity compared to total assets to run our business and to exploit further potential growth opportunities, both organic and inorganic.

Payment of dividends, and the amounts and timing thereof, will depend on a number of factors, including future revenue, profits, financial conditions, general economic and business conditions, and future prospects and such other factors as the Board of Directors may deem relevant as well as applicable legal and regulatory requirements. There can be no assurance that in any given year a dividend will be proposed or declared or a share buyback initiated. Furthermore, the dividend policy is subject to change as the Board of Directors will revisit the dividend policy from time to time.

The Group's capital and equity ratio at 31 December is 12.6% (2012: 14.3%, 2011: 11.8%).

NOTE 18 SHARE CAPITAL AND EARNINGS PER SHARE (CONTINUED)

USD '000	31 December 2013	31 December 2012	31 December 2011
Earnings per share			
The basis for calculating earnings per share is:			
OW Bunker A/S' share of profit	**61,984**	**44,088**	**38,455**
Issued shares at 1 January measured in shares of DKK 1	**6,892,477**	**6,892,477**	**6,892,477**
Earnings per share of DKK 1 (USD)	9.0	6.4	5.6
Diluted earnings per share of DKK 1 (USD)	8.7	6.2	5.4

Earnings per share have been calculated and presented for 2013, 2012 and 2011 even though the Company was first incorporated in 2013. In the calculation the shares in the Company as of the date of the reverse acquisition have been used as the basis of the calculation for 2013 as well as for 2012 and 2011. In the calculation of the diluted earnings per share the outstanding warrants as of the date of the reverse acquisition have been used as the basis for the calculation for 2013.

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of earnings per share as follows:

USD '000	31 December 2013	31 December 2012	31 December 2011
Weighted average number of ordinary shares used in the calculation of earnings per share	6,892,477	6,892,477	6,892,477
Average dilutive effect of outstanding warrants	230,328	236,065	226,738
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**7,122,805**	**7,128,542**	**7,119,215**

NOTE 19 BORROWINGS

USD '000	31 December 2013	31 December 2012	31 December 2011
	Carrying amount	*Carrying amount*	*Carrying amount*
Non-current			
Vessel loans	29,251	14,903	18,896
Bank credit facilities	-	294,721	361,979
	29,251	**309,624**	**380,875**
Current			
Vessel loans	6,055	19,978	20,116
Bank credit facilities	462,649	83,651	56,038
	468,704	**103,629**	**76,154**
Total borrowings at 31 December	**497,955**	**413,253**	**457,029**

Borrowings are based on floating interest rates. Carrying amount and fair value are in all material aspects identical in 2012 and 2011.

In 2013 fair value of bank credit facilities is USD 471.9 million compared to a carrying amount of USD 462.6 million due to capitalised borrowing costs of USD 9.3 million.

The Group's main bank credit facility is a USD 700.0 million borrowing base. The Group entered the facility in December 2013 and the prior facility was settled. The facility is split in 2 tranches. One tranche of USD 270.0 million maturing after 364 days including two 364-day extension options exercisable at the Group's request and at the discretion of each lender. Another tranche of USD 430 million maturing after 3 years. The facility includes an accordion option for increasing the facility with another USD 100 million at the discretion of each lender. The loan is secured by assignment over certain of the group's assets mainly trade receivables and inventory, (see note 24).

Furthermore, the Group has at total of USD 110 million in uncommitted transactional bank credit facilities for financing inventory plus some uncommitted bank credit facilities for financing certain subsidiaries.

The bank credit facility is recognised as a current liability due to the short-termed nature of the assets in the borrowing base which form the credit facility.

The maturity of borrowings is analysed in note 22.3.1

Breakdown of total borrowings by currency	31 December 2013	31 December 2012	31 December 2011
USD	503,779	359,583	381,559
DKK	-546	24,780	23,686
EUR	-3,381	6,083	36,614
GBP	-1,769	1,838	13,012
Other currencies	-128	20,969	2,158
Total borrowings at 31 December	**497,955**	**413,253**	**457,029**

The fair value of borrowings included in Level 2 in the fair value hierachy, has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

USD '000	31 December 2013	31 December 2012	31 December 2011
NOTE 20 PROVISIONS			
1 January	721	399	395
New provisions	153	322	4
Total provisions at 31 December	**874**	**721**	**399**
of which:			
Non-current	668	575	330
Current	206	146	69
Total provisions at 31 December	**874**	**721**	**399**

Provisions include obligations to reestablish oil tank facilities and office property leases when lease contracts expire.

USD '000	31 December 2013	31 December 2012	31 December 2011
NOTE 21 OTHER PAYABLES			
Salaries, social contributions etc.	14,248	10,690	5,874
Holiday commitments	3,166	1,690	1,393
VAT and duties	6,522	-	3,870
Contingent consideration (earn out)	3,481	3,377	-
Loan	18,937	18,112	17,840
Other	13,512	6,860	3,633
Total other payables at 31 December	**59,866**	**40,729**	**32,610**
of which:			
Non-current	2,846	21,489	17,840
Current	57,020	19,240	14,770
Total other payables at 31 December	**59,866**	**40,729**	**32,610**

Other payables include USD 3.5 million (2012: USD 3.4 million, 2011: USD 0.0 million) as contingent consideration. The fair value has been determined in accordance with generally accepted discounted cash flow analysis, where significant inputs are the entity's profit and the discount rate. A significantly higher or lower amount is not expected.

USD '000	31 December 2013	31 December 2012	31 December 2011
NOTE 22.1 CATEGORIES OF FINANCIAL INSTRUMENTS			
Categories of financial assets and liabilities as defined in IAS 39. The classification depends on the purpose for which the investments were made. Management determines the classification of its investments on initial recognition and re-evaluates this at the end of every reporting period to the extent that such a classification is permitted and required.			
Derivative financial instruments held for trading (risk management portfolio)	9,649	2,641	16,751
Financial assets at fair value	**9,649**	**2,641**	**16,751**
Derivative financial instruments hedging fair values	-	91	375
Financial assets used as hedging instruments	**-**	**91**	**375**
Other receivables	27,731	13,951	5,866
Trade receivables	1,354,105	1,166,793	1,105,927
Receivables from related parties	-	28,078	48,598
Cash and cash equivalents	13,792	16,128	14,350
Loans and receivables	**1,395,628**	**1,224,950**	**1,174,741**
Derivative financial instruments held for trading (risk management portfolio)	-11,538	-5,416	-19,192
Financial liabilities at fair value	**-11,538**	**-5,416**	**-19,192**
Derivative financial instruments hedging future cash flows	-288	-8,362	-6,965
Derivative financial instruments hedging fair values	-64	-	-
Financial liabilities used as hedging instruments	**-352**	**-8,362**	**-6,965**
Borrowings	-497,955	-413,253	-457,029
Payables to related parties	-567	-	-46
Trade payables	-947,542	-822,584	-781,174
Other payables	-59,866	-40,729	-32,610
Financial liabilities measured at amortised cost	**-1,505,930**	**-1,276,566**	**-1,270,859**

The carrying amount of cash and receivables, trade payables, payables to related parties and other payables are considered to be a reasonable approximation of fair value.

NOTE 22.2 DERIVATIVES AND HEDGE ACCOUNTING

Fair value of derivatives recognised as financial assets and financial liabilities

The note specifies gross values of the derivatives we have entered into (first sections of the note). Furthermore, the note specifies the effect of netting agreements where assets and liabilities are only offset if we are entitled to and intend to settle financial instruments net (Balances qualifying for offsetting).

USD '000	2013 Assets	2013 Liabilities	2013 Net	2012 Assets	2012 Liabilities	2012 Net	2011 Assets	2011 Liabilities	2011 Net
Oil									
Commodity swaps	28,352	-15,704		52,226	-43,334		48,403	-68,362	
Commodity futures	107,231	-94,809		58,818	-60,172		147,202	-140,441	
Fixed Price Physical	8,117	-8,540		1,299	-1,177		138	-187	
Commodity options	4,795	-4,991		43,223	-35,115		18,835	-17,889	
	148,495	**-124,044**		**155,566**	**-139,798**		**214,578**	**-226,879**	
Currency									
Currency options	-	-		438	-58		1,817	-2,924	
Currency swaps	76	-589		-	-632		-	-1,674	
Forward exchange contracts	64	-481		141	-79		376	-1,813	
Interest									
Interest rate swap	-	-288		-	-8,362		-	-6,964	
Total	**148,635**	**-125,402**		**156,145**	**-148,929**		**216,771**	**-240,254**	
Balances qualifying for offsetting									
Commodity swaps (exchange)	-14,158	14,158		-39,066	41,520		-42,024	42,024	
Commodity futures (exchange)	-94,559	94,559		-58,516	58,516		-139,732	139,732	
Commodity options (exchange)	-4,795	4,795		-35,115	35,115		-17,889	17,889	
	35,123	**-11,890**		**23,448**	**-13,778**		**17,126**	**-40,609**	
Margin deposits	-25,474			-20,716				14,452	
Derivatives at 31 December	**9,649**	**-11,890**	**-2,241**	**2,732**	**-13,778**	**-11,046**	**17,126**	**-26,157**	**-9,031**

NOTE 22.2 DERIVATIVES AND HEDGE ACCOUNTING (CONTINUED)

Cash flow hedging

USD '000	Total	Risk management portfolio and commercial hedging	Cash flow hedging: expected date of cash flow and transfer to profit and loss		
	Fair value	*Fair value*	*0-1 year*	*1-2 years*	*after 2 years*
2013					
Forward exchange contracts	-417	-353	-64	-	-
Interest rate swap	-288	-	-110	-96	-82
Total	**-705**	**-353**	**-174**	**-96**	**-82**
2012					
Forward exchange contracts	62	-29	91	-	-
Interest rate swap	-8,362	-	-3,581	-2,522	-2,259
Total	**-8,300**	**-29**	**-3,490**	**-2,522**	**-2,259**
2011					
Forward exchange contracts	-1,437	-1,812	375	-	-
Interest rate swap	-6,964	-	-3,002	-2,624	-1,338
Total	**-8,401**	**-1,812**	**-2,627**	**-2,624**	**-1,338**

Derivative financial instruments included in cost of goods sold in the income statement

USD '000	2013	2012	2011
Derivative financial instruments gains, net (oil derivatives)	53,682	3,913	29,259

The Group enters into derivative contracts in order to mitigate the risk of market price fluctuations in marine fuel. These derivatives are generally used to commercially hedge our physical inventory or an underlying transaction. Gains or losses on these instruments are recognised under cost of goods sold. These gains or losses should not be considered as stand alone but in conjunction with the costs of physical inventories shown as "Inventories recognised as a cost" (note 16) included in cost of goods sold in the income statement as they are essentially hedges against price movements on these inventories.

The Group uses derivative financial instruments as part of its risk management. Derivative financial instruments are used to hedge currency risk, interest rate risks and risks related to the price of oil.

Financial assets and liabilities are offset and the net amount reported when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

NOTE 22.2 DERIVATIVES AND HEDGE ACCOUNTING (CONTINUED)

Hedging of fair values

Fair value hierachy – Financial instruments measured at fair value
To increase consistency and comparability in fair value measurements IFRS establishes a fair value hierarchy that categorises into three levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Financial instruments measured at fair value comprise only derivatives and can be specified as follows:

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

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

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

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Our derivatives are classified in the fair value hierachy as follows:

USD '000	Level 1	Level 2	Level 3	Total
2013				
Financial assets				
Risk management portfolio and commercial hedging	25,880	9,243	-	35,123
	25,880	**9,243**	**-**	**35,123**
Offsetting				
Margin deposits				-25,474
Total at 31 December				**9,649**
Financial liabilities				
Risk management portfolio and commercial hedging	-249	-11,289	-	-11,538
Derivatives used for hedging	-	-352	-	-352
Total at 31 December	**-249**	**-11,641**	**-**	**-11,890**
2012				
Financial assets				
Risk management portfolio and commercial hedging	10,055	13,393	-	23,448
	10,055	**13,393**	**-**	**23,448**
Offsetting				
Margin deposits				-20,716
Total at 31 December				**2,732**
Financial liabilities				
Risk management portfolio and commercial hedging	-1,656	-3,851	-	-5,507
Derivatives used for hedging	-	-8,271	-	-8,271
Total at 31 December	**-1,656**	**-12,122**	**-**	**-13,778**

USD '000	Level 1	Level 2	Level 3	Total
NOTE 22.2 DERIVATIVES AND HEDGE ACCOUNTING (CONTINUED)				
2011				
Financial assets				
Risk management portfolio and commercial hedging	13,331	3,795	-	17,126
Total at 31 December	**13,331**	**3,795**	**-**	**17,126**
Financial liabilities				
Risk management portfolio and commercial hedging	-21,224	-12,796	-	-34,020
Derivatives used for hedging	-	-6,589	-	-6,589
	-21,224	**-19,385**	**-**	**-40,609**
Offsetting				
Margin deposits				14,452
Total at 31 December				**-26,157**

Level 1 consist of commodity swaps (exchange) and commodity futures (exchange).
Level 2 consist of commodity swaps (OTC), fixed price physical, options, currency swaps, forward exchange contracts and interest swaps.

NOTE 22.3 FINANCIAL RISKS

NOTE 22.3.1 LIQUIDITY RISK

The Group manages the liquidity risk by maintaining 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, and by matching the maturity profiles.

The Group's liquidity reserve is as follows:

Liquidity reserve USD '000	31 December 2013	31 December 2012	31 December 2011
Total available credit lines	866,376	593,670	570,290
Bank guarantees and letter of credit	-69,688	-98,910	-74,200
Cash and cash equivalents	13,792	16,128	14,350
Borrowings	-497,955	-413,253	-457,029
Hereof capitalised borrowing cost	-9,300	-	-
Total liquidity reserve at 31 December	**303,225**	**97,635**	**53,411**

In addition to total liquidity reserve of USD 303.2 million the Group has an option to request a USD 100.0 million accordion facility at the discretion of each lender.

Maturitites of liabilities and commitments	Carrying	Cash flows			
USD '000	**amount**	**0-1 year**	**1-5 years**	**after 5 years**	**Total**

NOTE 22.3.1 LIQUIDITY RISK (CONTINUED)

Maturitites of liabilities and commitments USD '000	Carrying amount	Cash flows 0-1 year	Cash flows 1-5 years	Cash flows after 5 years	Total
2013					
Borrowings	497,955	468,704	20,436	8,815	497,955
Payables to related parties	567	567	-	-	567
Trade payables	947,542	947,542	-	-	947,542
Other payables	59,866	57,020	2,846	-	59,866
Derivatives	11,890	11,890	-	-	11,890
Financial instruments recognised	**1,517,820**	**1,485,723**	**23,282**	**8,815**	**1,517,820**
Operating lease commitments		28,557	19,363	527	48,447
Capital commitments		-	-	-	-
Total	**1,517,820**	**1,514,280**	**42,645**	**9,342**	**1,566,267**
2012					
Borrowings	413,253	103,629	307,833	1,791	413,253
Payables to related parties	-	-	-	-	-
Trade payables	822,584	822,584	-	-	822,584
Other payables	40,729	19,240	21,489	-	40,729
Derivatives	13,778	13,778	-	-	13,778
Financial instruments recognised	**1,290,344**	**959,231**	**329,322**	**1,791**	**1,290,344**
Operating lease commitments		31,064	23,116	-	54,180
Capital commitments		-	-	-	-
Total	**1,290,344**	**990,295**	**352,438**	**1,791**	**1,344,524**
2011					
Borrowings	457,029	76,154	375,640	5,235	457,029
Payables to related parties	46	46	-	-	46
Trade payables	781,174	781,174	-	-	781,174
Other payables	32,610	14,770	17,840	-	32,610
Derivatives	26,157	26,157	-	-	26,157
Financial instruments recognised	**1,297,016**	**898,301**	**393,480**	**5,235**	**1,297,016**
Operating lease commitments		26,179	5,470	-	31,649
Capital commitments		1,900	-	-	1,900
Total	**1,297,016**	**926,380**	**398,950**	**5,235**	**1,330,565**

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

NOTE 22.3.2 CURRENCY RISK

Nearly all of our revenues and costs of sales are denominated in U.S. dollars. However, payments of local costs, including costs related to terminals and other services, local office expenses, local taxes and local employee compensation, may be denominated in the local currency. In some limited locations, we also pay certain of our suppliers in local currency. Because our consolidated financial statements are prepared in U.S. dollars, we face a currency translation risk to the extent that the assets, liabilities, revenues and expenses of our subsidiaries are denominated in currencies other than the U.S. dollar. Our largest exposures are to the Euro, the Danish krone, the Swedish krona and the British pound. Although we use hedging strategies to mitigate the impact of foreign currency exchange risk, only a portion of this risk may be hedged at any given time and for a limited period, and our exposure to foreign currency exchange risk may be substantial. Significant fluctuations in foreign exchange rates could have a material adverse effect on our business, financial condition and results of operations.

The company's net position in significant currencies as of 31 December is shown below:

USD '000	Trade receivables	Trade payables	Borrowings, net	Other	Derivatives	Net Position
2013						
USD*	1,304,363	-913,887	-497,370	-17,562	14,467	n.a.
DKK	4,239	-3,105	710	-13,454	-485	-12,095
EUR	28,818	-7,980	4,687	6,453	-16,085	15,893
GBP	2,945	-3,646	1,953	30	1,597	2,879
Other currencies	13,740	-18,924	5,857	1,408	506	2,587
Total	**1,354,105**	**-947,542**	**-484,163**	**-23,125**	**-**	**9,264**
2012						
USD*	1,135,274	-791,384	-380,129	22,330	31,191	n.a.
DKK	11,295	-2,753	-804	-26,886	-6,800	-25,948
EUR	9,889	-11,206	-5,559	12,756	-21,164	-15,284
GBP	1,914	-2,545	-1,703	9,143	-8,061	-1,252
Other currencies	8,421	-14,696	-8,930	-6,815	4,834	-17,186
Total	**1,166,793**	**-822,584**	**-397,125**	**10,528**	**-**	**-59,670**
2011						
USD*	1,086,644	-753,833	-403,010	19,261	-78,632	n.a.
DKK	7,890	-8,290	756	-21,174	91,582	70,764
EUR	6,080	-11,558	-35,987	21,508	-12,950	-32,907
GBP	147	-787	-12,896	12,930	-	-606
Other currencies	5,166	-6,706	8,458	-992	-	5,926
Total	**1,105,927**	**-781,174**	**-442,679**	**31,533**	**-**	**43,177**

Other includes other receivables, receivables from related parties, prepayments, other payables and borrowings from related parties. Borrowings, net includes cash and cash equivalents and borrowings.

An increase in the USD exchange rate of 1% against all other significant currencies to which the Group is exposed, is estimated to have a negative impact on the Group's profit for the year by USD 0.1 (2012: positively by 0.4 million) and to impact the Group's equity, excluding tax, negatively by USD 0.1 (2012: positively by 0.4 million).

The sensitivities are based only on the impact of financial instruments denominated in foreign currencies that are outstanding at the balance sheet date, and adjusts their translation at the period end. The sensitivity analysis is thus not an expression of the Group's total currency risk.

* Since USD is functional currency it is not meaningful to report on Net Position in USD.

NOTE 22.3.3 INTEREST RATE RISK

The Group's interest rate risk mainly arises from its borrowings. Borrowings issued at floating rates expose the Group to interest rate risk. The Group's policy is maintaining its borrowings substantially in floating rate instruments, as the borrowings are mainly financing short term assets. The Group's exposure to interest rate risks arises mainly from these floating interest rate borrowings. In below stated table net interest-bearing debt regarding vessel loans and other payables are subject to a fixed interest rate.

We have from time to time entered into interest rate swaps that are cash flow hedges for our exposure to interest rate risk on our borrowings. Prior to entering into the bank credit facility as described in note 19, our financing arrangements required us to hedge our interest rate exposure. However, the bank credit facility we entered to in December 2013 does not include such a requirement and we have not entered into any new interest rate swaps or other interest rate related derivative transactions since entering into the credit facility in December 2013, particularly given our ability to typically pass through our financing costs in the service margin (gross profit per tonne) that we charge our customers.

The Group's net-interest bearing debt can be summarised as follows:

Net interest-bearing debt USD '000	**31 December 2013**	**31 December 2012**	**31 December 2011**
Vessel loans	-35,305	-34,881	-39,012
Bank credit facility	-462,649	-378,372	-418,017
Other payables	-18,937	-18,112	-17,840
Borrowings from related parties	-567	-	-46
Interest-bearing debt	**-517,458**	**-431,365**	**-474,915**
Receivables from related parties	-	28,078	48,598
Cash and cash equivalents	13,792	16,128	14,350
Net interest-bearing debt	**-503,666**	**-387,159**	**-411,967**

We have prepared a sensitivity analysis for floating rate liabilities. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the entire year.

An increase in the USD interest rate by 0.5% (2012: 0.5%,2011: 0.5%) is estimated to have a negative impact on the Group's profit for the year by USD 1.8 million (2012: negatively by USD 0.4 million, 2011: negative effect by USD 0.4 million), as a result of higher interest cost on borrowings. Based on the same increase of interest rate equity would be lower by USD 1.6 million as a result of lower market value of interest rate swaps used for cash flow hedging (2012: higher by USD 1.0 million, 2011: higher by USD 1.4 million).

The sensitivity analysis is disclosed in compliance with IFRS. The pricing model of the Group allows to a wide 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.

Refer to note 22.2 regarding cash flow hedging of interest rates.

In 2013 fair value of bank credit facilities is USD 471.9 million compared to a carrying amount of USD 462.6 million due to capitalized borrowing costs of USD 9.3 million.

NOTE 22.3.4 CREDIT RISK

Credit risk mainly relates to trade receivables as OW Bunker regularly provide trade credit to customers for their marine fuel purchases. The risk of losses from defaulting debtors is primarily mitigated by our credit insurance and maritime lien for marine fuel receivables. The internal credit department works with customers to manage credit risk in line with the credit policy approved by the Board of Directors.

Furthermore, when selling marine fuel to customers on credit, OW Bunker obtain a maritime lien that gives the right, under certain circumstances, to arrest the ship to enforce payment and ultimately sell the ship if the customer defaults on their payment and to use the proceeds to pay the debt owed to OW Bunker.

The Groups 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 Credit Authority Governance structure.

We typically hedge our financial risk related to our open position by entering into commodity-based dervative instruments with financial institution counterparties typically through a clearing house, thereby eliminating counterparty risk.

NOTE 22.3.5 COMMODITY PRICE RISK

Marine fuel and marine fuel component price risk management is integrated throughout the supply chain from the purchase of marine fuel and marine fuel components from suppliers to the sale of marine fuel to customers. The exposure to marine fuel and marine fuel component price volatility arises from OW Bunker's marine fuel inventory, purchase and sales contracts with a fixed price element and derivative instruments where marine fuel or marine fuel related products are the underlying asset.

OW Bunker manages marine fuel and marine fuel component price risk in accordance with the marine fuel and marine fuel component price risk management policy approved by the Board of Directors.

The primary goal of the policy is to ensure that the business generates a stable gross profit per tonne by limiting the effects of marine fuel price fluctuations. The overall risk limit set in the policy is defined by a maximum net open (unhedged) position for the Group.

If the commodity prices increase by 1% (2012: 1%, 2011: 1%) with all other variables being held constant, the profit for the year will be increased by USD 0.3 million (2012: increased by 0.1 million 2011: lower by 0.5 million) as a result of the changes in the oil derivative contracts as of end of the reporting period. Equity would have been increased by USD 0.3 milllion (2012: increased by 0.1 million, 2011: lower by 0.5 million).

USD '000	2013	2012	2011
NOTE 23 CASH FLOW STATEMENT			
Other non-cash movements			
Changes in provisions	153	322	399
Losses on sale of property, plant and equipment	3,154	5,379	609
Exchange gains and losses	-361	1,423	290
Total	**2,946**	**7,124**	**1,298**
Changes in working capital			
Inventories	-38,159	-25,965	-43,066
Trade receivables	-187,312	-56,305	-398,434
Derivatives	-2,028	2,075	1,063
Other receivables and prepayments	-13,294	-7,327	29,422
Trade payables	124,958	41,410	260,850
Other payables	19,189	4,472	-14,806
Total	**-96,646**	**-41,640**	**-164,971**
Cash and cash equivalents			
Cash	13,792	16,128	14,350
Drawn bank credit facilities	-462,649	-378,372	-418,017
Total at 31 December	**-448,857**	**-362,244**	**-403,667**

See note 22.3.1 for a specification of liquidity reserves.

NOTE 24 ASSETS PLEDGED AS COLLATERALS AND CONTINGENT LIABILITIES

USD '000	2013	2012	2011
Collaterals and security for debt			
Property, plant and equipment – carrying amount	58,258	41,325	40,616
Inventory – carrying amount	112,108	66,200	56,600
Trade receivables – carrying amount	1,269,802	-	-
Total at 31 December	**1,440,168**	**107,525**	**97,216**

Furthermore, credit insurance, tank insurance and marine cargo insurance for certain entities has been pledged toward the banks. Broker accounts have been pledged towards the banks as well. Trade receivables are pledged as collateral for debt in the Groups main bank credit facility entered in December 2013. See note 19.

Contingent liabilities
Joint tax arrangement:
The company is included in a mandatory Danish joint tax arrangement with the sister company W.S.S. Holding A/S and its Danish subsidiaries. Wrist Adm ApS is the administration company in the joint taxation.

The company is jointly and severally liable according to the corporate tax act of 1 July 2012 for corporate income tax and withholding tax on interests, royalties and dividend for the joint arrangement companies. The contingent liability regarding current income taxes is estimated to USD 1.6 million.

NOTE 25 COMMITMENTS

Operating leases
The Group has entered in customary lease agreements classified as operating leases. Future aggregate minimum lease payments under non-cancellable operating leases are as follows:

USD '000	2013	2012	2011
Time- and bareboat charter agreements	13,578	17,975	19,022
Operating lease commitments	34,869	36,205	12,627
Total commitments at 31 December	**48,447**	**54,180**	**31,649**

Operating lease commitments primarily relates to property leases and leases of tanks. Lease cost is classified as operating costs and other external costs. Refer to note 5 and note 6.

A total of USD 6.2 million has been expensed as lease cost (2012: USD 5.5 million, 2011: 4.8 million). The Group has no income from subleases.

USD '000	2013	2012	2011
No later than 1 year	28,557	31,064	26,179
1-5 years	19,363	23,116	5,470
After 5 years	527	-	-
Total commitments at 31 December	**48,447**	**54,180**	**31,649**

Capital commitments
Capital commitments is USD 0.0 million (2012: USD 0.0 million, 2011: USD 1.9 million). The capital commitment in 2011 related to contracts for two new vessels under construction.

The decrease in capital commitments from 2011 to 2012 was due to the termination of these contracts (note 9).

USD '000	2013	2012	2011
NOTE 26 REMUNERATION TO KEY MANAGEMENT AND BOARD OF DIRECTORS			
Key management consists of Jim Pedersen, Morten Skou, Götz Lehsten, Jane Dahl Christensen and the Board of Directors.			
Salaries	3,997	3,954	3,229
Pensions – defined contribution plans	16	13	13
Other short-term benefits	75	61	51
Total	**4,088**	**4,028**	**3,293**
of which:			
Fee to Board of Directors and executive management	1,486	1,430	1,366

MANAGEMENT INVESTMENT PROGRAMME

In 2008 the subsidiary Wrist Marine Supplies A/S established a management investment programme under which employees, directors and managers of the company and its affiliates were given the opportunity to subscribe for shares and purchase warrants against cash payment. As the shares and warrants were issued at fair value against cash payment and settled against shares the programme has not been recognised in the consolidated financial statements. Shares and warrants held by the participants amount to 6.3% of the issued capital on a fully diluted basis.

In connection with the restructuring of the Group in 2013 the management investment programme was amended and the shares and warrants in Wrist Marine Supplies A/S were exchanged with shares and warrants in OW Bunker A/S under identical terms and conditions as in the original programme apart from an adjustment of the subscription price and cut-off rates. The exchange was completed in a manner to ensure a financial position after the exchange equal to the financial position prior to the exchange. The fair value of the warrants did not change due to the exchange and the amendment is seen as a continuation of the original programme.

A total of 310,161 warrants have been issued in the OW Bunker A/S programme. The issued warrants all entitle the participants to subscribe for one share for each warrant held by the participant. The warrants have been issued in three different classes. In order for participants to be entitled to exercise the warrants, different cut-off rates for each of the three classes must be met. The cut-off rates are calculated based on the value of the shares in OW Bunker A/S and the value of the shares in W.S.S. Holding A/S (now owning the activities carved out in the restructuring of the Group (see note 30) in combination).

Exercise Price

The issued warrants entitle the holder to subscribe for one share for each warrant at a price of DKK 8.23 with an addition of 10% p.a. on the accumulated basis in accordance with the following formula 8.23 x (1+0.10) ^ (days/365) where days means the number of days between 19 November 2013 and the date of subscription.

Exercise

A participant may only exercise his/her warrants during a period running from 2 August 2016 to 2 September 2016. However, a participant's right to exercise his/her warrants would be accelerated if the Company is sold or if the Company publicly offer shares. Warrants not exercised will lapse.

Outstanding warrants

The number of outstanding warrants at 31 December 2013 was 310,161 warrants. There have been no changes in this number during 2013. As of 31 December 2013 the average exercise price for outstanding warrants was DKK 8.32 and the average remaining contractual life is 2.67 years. Comparative information for 2012 and 2011 is not found meaningful due to the restructuring of the Group in 2013 and the resulting amendment of the original programme.

USD '000	2013	2012	2011

NOTE 27 FEE TO STATUTORY AUDITORS

	2013	2012	2011
Statutory audit	808	574	690
Audit-related services	1	13	2
Tax services	371	226	204
Other shortterm services	906	182	378
Total	**2,086**	**995**	**1,274**

NOTE 28 RELATED PARTIES

Altor Fund II GP Limited in its capacity as general partner and investment manager to Altor Fund II is controlling OW Bunker A/S, which is the ultimate Danish holding company of the Group.

Related parties of the company are constituted by the parent company OW Bunker A/S, and the parent companies of this company and its subsidiaries.

Related parties of the Group with significant influence comprise members of the Board of Directors and key management personnel. Remuneration for Directors and key management personnel is detailed in note 26.

The Group had the following transactions with related parties

Net financial income and financial costs	2013	2012	2011
Net financial income and financial costs from related parties*	996	1,652	2,209
Total	**996**	**1,652**	**2,209**

Other transactions	2013	2012	2011
Repayment of share premium and buy-back of shares	-224,896	-	-
Contribution in kind	161,105	-	-
Total	**-63,791**	**-**	**-**

In connection with the corporate restructuring effected to separate the Groups marine refuelling activities and ship supply activities, a capital reduction of USD 224.9 million was carried out through repayment of share premium and buy-back of shares.

Also as a consequence of the restructuring OW Bunker received USD 161.1 milion as proceeds from divestment of Wrist Ship Supply A/S (previously Ove Wrist & Co. A/S). This has been treated as a contribution in kind in the financial statement and recognised directly in equity.

* All transactions and balances relate to carved out entities, W.S.S. Holding A/S and subsidiaries hereof.

USD '000	2013	2012	2011
NOTE 28 RELATED PARTIES (CONTINUED)			
The Group had the following outstanding balances with related parties at 31 December			
Assets			
Receivables from related parties*	-	28,078	48,598
Total at 31 December	**-**	**28,078**	**48,598**
Liabilities			
Payables to related parties*	567	-	46
Total at 31 December	**567**	**-**	**46**

* All transactions and balances relate to carved out entities, W.S.S. Holding A/S and subsidiaries hereof.

NOTE 29 EVENTS AFTER THE BALANCE SHEET DATE

In January 2014, OW Bunker announced the launch of a new operation in Colombia. The move into the Colombian bunker market builds upon OW Bunker's presence across the region with existing offices in Chile, Uruguay, Panama and Brazil.

In March 2014, OW Bunker announced its intention to launch an Initial Public Offering and to list its shares on NASDAQ OMX Copenhagen. The contemplated IPO is an important milestone for OW Bunker, providing a long-term platform to support OW Bunker's strategy and future growth, further enhancing its profile as well as providing a diversified base of new Danish and international shareholders, institutional as well as private.

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

NOTE 30 EFFECT OF DISCONTINUED OPERATIONS AND TRANSITION TO IFRS

REVERSE ACQUISITION

The Company was incorporated on 1 January 2013 and Altor Fund II acquired the company for the purpose of being the holding company of O.W. Bunker & Trading A/S. Between the date of incorporation and November 2013, the Company had no operations.

In November 2013, the Company acquired 100% of the share capital of Wrist Marine Supplies A/S by way of a non-cash contribution (share-for-share exchange) through an intermediary company, that afterwards was dissolved in a merger with the Company. Prior to this date, Wrist Marine Supplies A/S had disposed of two of its subsidiaries, namely O.W. Group Administration A/S and Wrist Ship Supply A/S. Therefore, at the time of the non-cash contribution, the only remaining activity of the Wrist Marine Supplies A/S Group was the bunker business, which was operated by a subsidiary of Wrist Marine Supplies A/S, O.W. Bunker & Trading A/S.

Pursuant to IFRS, the aforementioned non-cash contribution of the share capital of Wrist Marine Supply A/S is deemed to be a reverse acquisition. Consequently, the consolidated financial statements of the Company are presented as if Wrist Marine Supplies A/S were the acquirer of the assets and liabilities of the Company. The consolidated financial statements include the activity that was acquired by the Company as part of the acquiring of the shares in Wrist Marine Supplies A/S. The activities disposed of by Wrist Marine Supplies A/S prior to the time of the non-cash contribution are not included in the consolidated financial statements of the Company as they are not and were not subject to the Company's control. In management's opinion, including the activities that were disposed of would be misleading with respect to the Company's current and future activities.

IFRS 1

The consolidated financial statements of Wrist Marine Supplies A/S were in previous years prepared in accordance with generally accepted accounting principles in Denmark (Danish GAAP). These consolidated financial statements, in which the historical activities represent those of Wrist Marine Supplies A/S, represent the first annual financial statements for this business prepared in accordance with IFRS. The Company has elected to present the consolidated financial statements inclusive of two years' comparative figures. Therefore, the Company's date of transition is deemed to be 1 January 2011 (the Transition Date), and an IFRS opening balance sheet date has been presented as at this date.

The Company's consolidated financial statements also reflect a change in the presentation currency from Danish kroner (DKK) to US dollars (USD); the functional currency of the Company is USD.

In accordance with IFRS, the Company has:

- applied the same accounting policies throughout all periods presented;
- retrospectively applied all effective IFRS standards as of 31 December 2013;
- applied certain optional exemptions and certain mandatory exemptions as applicable for first time IFRS adopters.

It should be noted that, under Danish company law the acquisition of Wrist Marine Supplies A/S by OW Bunker A/S did not take place until November 2013, but for financial reporting purposes the share capital of the Company has been included in the comparative figures for 2012 and 2011 even though the Company was first formed on 1 January 2013.

INITIAL ELECTIONS UPON ADOPTION

IFRS exemption options

Set forth below are the IFRS applicable exemptions and exceptions applied in the conversion from Danish GAAP to IFRS.

- Business combinations – IFRS 1 provides the option to apply IFRS 3 Business Combinations retrospectively or prospectively from the Transition Date. The Company has elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to the Transition Date. Any goodwill arising on such business combinations before the Transition Date has not been adjusted from the carrying value previously determined under Danish GAAP as a result of applying these exemptions.

- Currency translation differences – Retrospective application of IFRS would require the Company to determine cumulative currency translation differences in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, from the date a subsidiary or equity method investee was formed or acquired. IFRS 1 permits cumulative translation gains and losses to be reset to zero at the Transition Date. The Company has elected to reset all cumulative translation gains or losses to zero in operating retained earnings at the Transition Date.

IFRS mandatory exceptions

Set forth below are the applicable mandatory exceptions in IFRS 1 applied in the conversion from Danish GAAP to IFRS.

- Hedge accounting – Hedge accounting can only be applied prospectively from the Transition Date to transactions that satisfy the hedge accounting criteria in IAS 39, Financial Instruments: Recognition and Measurement, at that date. Hedging relationships cannot be designated retrospectively and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria at the Translation Date are reflected as hedges in the Company's results under IFRS. All derivatives, whether or not they meet the IAS 39 criteria for hedge accounting, were fair valued and recorded in the consolidated balance sheet.

- Estimates – Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Danish GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

NOTE 30 EFFECT OF DISCONTINUED OPERATIONS AND TRANSITION TO IFRS (CONTINUED)

Reconciliations of Danish GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The following represents the reconciliations from Danish GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive income:

Reconciliation of assets, liabilities, equity and total comprehensive income according to IFRS 1 at the date of transition to IFRS and for the most recent annual financial statement

	Assets 1 January 2011	Liabilities 1 January 2011	Equity 1 January 2011	Income statement 2012	Assets 31 December 2012	Liabilities 31 December 2012	Equity 31 December 2012
Previous GAAP (DKK'000)	6,738,403	5,671,365	1,067,038	337,580	9,983,153	8,434,586	1,548,567
Carve out discontinued operations (DKK'000)	-858,045	-572,543	-285,502	-47,245	-1,175,678	-836,649	-339,029
Previous GAAP after carve out (DKK'000)	**5,880,358**	**5,098,822**	**781,536**	**290,335**	**8,806,393**	**7,597,937**	**1,209,538**
Translated to USD (USD'000)	**1,061,600**	**910,374**	**151,226**	**48,331**	**1,520,555**	**1,303,337**	**217,218**
IFRS adjustments (USD'000):							
1) Reversed amortisation of goodwill	-	-	-	4,460	8,750	-	8,750
2) Transaction cost on business combinations	-	-	-	-644	-644	-	-644
3) Provisions for reestablishment of tank- and property leases	-	303	-303	-181	134	659	-525
4) Provisions for jubilee payments to employees	-	53	-53	-7	-	60	-60
5) Adjusted measurement of oil derivatives	-	6,170	-6,170	-	-	6,144	-6,144
6) Reversed hedge accounting for oil derivatives	-	-	-10,037	-	-	-	-
7) Adjusted fair value measurement of oil inventories	-254	-	-254	166	51	-	51
8) Tax effect of the above items.	-	-1,113	1,113	597	597	1,002	-405
Total IFRS-adjustments (USD'000)	**-254**	**5,413**	**-5,667**	**-5,646**	**8,888**	**7,865**	**1,023**
Adjusted to IFRS (USD'000)	**1,061,346**	**915,787**	**145,559**	**42,685**	**1,529,443**	**1,311,202**	**218,241**
Other comprehensive income				**60**			
Total comprehensive income				**42,745**			

NOTE 30 EFFECT OF DISCONTINUED OPERATIONS AND TRANSITION TO IFRS (CONTINUED)

COMMENTS TO RECONCILIATION

1) According to IFRS 3, Business Combinations, the Group tests goodwill annually or more frequently if there are indications that goodwill might be impaired. Under Danish GAAP goodwill was amortised on a straight line basis over its economic life, but not for longer than 20 years.

2) According to IFRS 3, Business Combinations, transaction costs in business combinations are recognised directly in profit or loss when incurred. Under Danish GAAP, transaction costs were recognised as part of the cost of goodwill.

3) Provisions for the estimated costs of reestablishment and of tank leases and property leases have been recognised according to requirements in IAS 16, Property, Plant and Equipment, and IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Under Danish GAAP, expenses relating to the reestablishment of tank- and property leases were recognised in profit or loss when incurred.

4) Under IFRS, a provision for jubilee payments to employees has been measured and recognised according to requirements in IAS 19, Employee Benefits. Under previous GAAP, jubilee payments were recognised in profit or loss when incurred.

5) Under previous GAAP oil derivatives were recognised using measurement principles that did not fully comply with IAS 39, Financial Instruments: Recognition and Measurement. The measurement principles have been adjusted to comply with the requirements in IFRS 13.

6) The Group uses derivative instruments for hedging of oil positions. Although oil derivatives are used for commercial hedging are linked to the inventory or underlying transactions, they do not meet the criteria for hedge accounting as defined by IAS 39, Financial Instruments: Recognition and Measurement, and thus do not qualify for hedge accounting. Changes in these derivative instruments are therefore recognised immediately in profit or loss within "cost of goods sold". Previously, changes in the fair value of derivative instruments designated as cash flow hedging were recognised in equity and transferred to the profit or foss when the hedged transaction was recognised in the profit or loss within 'costs of goods sold".

7) Pursuant to both IFRS and Danish GAAP, oil inventories acquired with the purpose of selling in the near future and generating profit from fluctuations in price or broker-traders' margin are valued at fair value less cost to sell. The valuation techniques used under Danish GAAP, however, are not fully aligned with IFRS, hence an adjustment arises on transition to IFRS.

8) Deferred tax relating to changes made to the accounting policies is recognised and can largely be attributed to fair value adjustments of oil derivatives recognised directly in profit and loss.

NOTE 30 EFFECT OF DISCONTINUED OPERATIONS AND TRANSITION TO IFRS (CONTINUED)

	Wrist Marine Supplies A/S Group 1 January 2011	Carve out dis-continued operations[1]	Group after carve out 1 January 2011	Group translated to USD 1 January 2011[2]		IFRS adjustments[3] 1 January 2011	Group according to IFRS 1 January 2011
	DKK'000	*DKK'000*	*DKK'000*	*USD'000*		*USD'000*	*USD'000*
Goodwill	633,056	-312,400	320,656	60,777		-	60,777
Software	18,362	-	18,362	3,401		-	3,401
Other intangible assets	-	-	-	-		-	-
Intangible assets	**651,418**	**-312,400**	**339,018**	**64,178**		**-**	**64,178**
Land and property	65,427	-65,427	-	-		-	-
Operating assets and equipment	79,565	-47,280	32,285	5,800		-	5,800
Vessels	230,823	-10,708	220,115	45,325		-	45,325
Vessels under construction	167,858	-	167,858	29,904		-	29,904
Property, plant and equipment	**543,673**	**-123,415**	**420,258**	**81,029**		**-**	**81,029**
Investments in associated companies	1,813	-1,813	-	-		-	-
Receivables from related parties	-	-	-	-		-	-
Deferred tax assets	-	-	-	-	a)	3,812	3,812
Other receivables	7,887	237,300	245,187	47,492		-	47,492
Other non-currents assets	**9,700**	**235,487**	**245,187**	**47,492**		**3,812**	**51,304**
Total non-current assets	**1,204,791**	**-200,328**	**1,004,463**	**192,699**		**3,812**	**196,511**
Inventores	**629,139**	**-98,200**	**530,939**	**94,840**		**-254**	**94,586**
Trade receivables	4,398,669	-427,300	3,971,369	707,493		-	707,493
Receivables from related parties	-	-	-	-		-	-
Current tax	11,886	-1	11,885	2,117		-	2,117
Deferred tax assets	40,364	-18,966	21,398	3,812	a)	-3,812	-
Derivatives	-	-	-	-	b)	6,720	6,720
Other receivables	266,305	-36,561	229,744	40,928	b)	-6,720	34,208
Prepayments	67,734	-10,189	57,545	10,266		-	10,266
Receivables	**4,784,958**	**-493,017**	**4,291,941**	**764,616**		**-3,812**	**760,804**
Cash and cash equivalents	**119,471**	**-66,455**	**53,016**	**9,445**		**-**	**9,445**
Total current assets	**5,533,568**	**-657,672**	**4,875,896**	**868,901**		**-4,066**	**864,835**
Total assets	**6,738,359**	**-858,000**	**5,880,359**	**1,061,600**		**-254**	**1,061,346**

NOTE 30 EFFECT OF DISCONTINUED OPERATIONS AND TRANSITION TO IFRS (CONTINUED)

	Wrist Marine Supplies A/S Group 1 January 2011	Carve out dis-continued operations[1)]	Group after carve out 1 January 2011	Group translated to USD 1 January 2011[2)]		IFRS adjustments[3)] 1 January 2011	Group according to IFRS 1 January 2011
	DKK'000	*DKK'000*	*DKK'000*	*USD'000*		*USD'000*	*USD'000*
Share capital	7,054	-	7,054	1,258	c)	-	1,258
Foreign currency reserve	-	-	-	-		-	-
Hedging reserve	-10,183	-	-10,183	-1,813	g)	1,973	160
Retained earnings	1,058,746	-291,938	766,808	152,159	c), e), f), g)	-7,640	144,519
Shareholders equity	**1,055,617**	**-291,938**	**763,679**	**151,604**		**-5,667**	**145,937**
Non-controlling interests	**11,419**	**6,438**	**17,857**	**-378**		**-**	**-378**
Total equity	**1,067,036**	**-285,500**	**781,536**	**151,226**		**-5,667**	**145,559**
Borrowings	1,580,226	-140,961	1,439,265	256,403		-	256,403
Deferred tax liabilities	117	6,131	6,248	1,113	f)	-1,113	-
Provisions	-	-	-	-		-	-
Finance lease liabilities	35,563	-35,563	-	-		-	-
Other payables	102,716	21,648	124,364	22,155		-	22,155
Non-current liabilities	**1,718,622**	**-148,745**	**1,569,877**	**279,671**		**-1,113**	**278,558**
Borrowings	465,645	-85,392	380,253	67,742			67,742
Payables to related parties	-	-	-	-			-
Provisions	-	-	-	-			-
Finance lease liabilities	939	-939	-	-			-
Derivatives	-	-	-	-	d), e)	8,945	8,945
Trade payables	3,171,095	-250,360	2,920,735	520,324			520,324
Current tax	86,158	-2,861	83,297	14,840			14,840
Other payables	213,383	-68,722	144,661	27,797	d)	-2,419	25,378
Deferred income	15,481	-15,481	-	-			-
Current liabilities	**3,952,701**	**-423,755**	**3,528,946**	**630,703**		**6,526**	**637,229**
Total liabilities	**5,671,323**	**-572,500**	**5,098,823**	**910,374**		**5,413**	**915,787**
Total equity and liabilities	**6,738,359**	**-858,000**	**5,880,359**	**1,061,600**		**-254**	**1,061,346**

NOTE 30 EFFECT OF DISCONTINUED OPERATIONS AND TRANSITION TO IFRS (CONTINUED)

COMMENTS TO IFRS OPENING BALANCE AT 1 JANUAR 2012

1) When compiling the consolidated figures for OW Bunker A/S, the consolidated financial statements of Wrist Marine Supplies A/S were used since this company is considered the acquirer with respect to the restructuring under Danish company law by way of a non-cash contribution and the merger which OW Bunker A/S was part of in 2013. However, OW Bunker A/S did not acquire the activities of Wrist Marine Supplies A/S' subsidiaries, Wrist Ship Supply A/S and O.W. Group Administration A/S, as they were sold off before OW Bunker A/S acquired the shares in Wrist Marine Supplies A/S. Therefore the carrying amounts of assets and liabilities attributable to those activities have been separated from the consolidated figures. The net value of assets and liabilities of DKK 285,500k has reduced Group equity.

2) After the separation of the sold-off activities, USD is defined as the functional currency for the remaining bunker business. However, the consolidated financial statements of Wrist Marine Supplies A/S have historically been presented in DKK, for which reason the assets and liabilities forming part of the consolidated figures after separation of the sold-off activities have been translated into USD. The translation has been made using historical foreign exchange rates for all non-monetary items. For monetary balance sheet items, the translation was made applying the USD/DKK rate of 561.33. Effective from the IFRS opening balance sheet date of 1 January 2011, all foreign currency translation adjustment reserves in equity have been reset, for which reason only the effect of foreign currency translations arising after this date has been recognised in consolidated equity in a special reserve.

At the transition to IFRS the following adjustments were made (referred to in specification):

a) Reclassification of deferred tax assets from current assets to non-current assets, USD 3,812k. Reclassification is made due to requirements in IAS 12, Income taxes, stating that deferred tax assets are to be presented as non-current assets.

b) Reclassification of derivatives to specific item in balance sheet under current assets, USD 6,720k. Reclassification is made as derivatives as a line item are considered relevant to an understanding of the financial position.

c) The share capital from Wrist Marine Supplies A/S is replaced with the share capital of the parent company OW Bunker A/S even if the share capital is not paid until 2013. This is due to the principles of reverse aquistion according to IFRS 3, Business Combinations. The share capital in Wrist Marine Supplies A/S and OW Bunker A/S is the same and therefore the replacement have no effect on the values.

d) Reclassification of derivatives to specific item in the balance sheet under current liabilities, USD 2,419k. See b) above.

e) Oil derivatives are recognised and measured at fair value. The measurement of fair value has been adjusted to comply with the requirements in IAS 39, Financial Instruments: Recognition and Measurement. The adjustment has caused a negative effect on equity with USD 6,170k.

f) Adjustment of deferred tax liabilities due to recognition of derivates according to item e) above, USD 1,113k

g) Oil inventories measured at fair value less costs to sell have been decreased with USD 254k, to comply with the measurement principles in IAS 2, Inventories, for inventories carried at fair value less costs using the commodity broker-trader option in the standard. Under previous GAAP the inventories were measured at fair value.

h) Provisions for jubilee payments to employees have been recognised at an estimated discounted value according to IAS 19, Employee Benefits. The provision is recognised at a value of USD 53k. Under previous GAAP provisions were not recognised.

i) Provisions for restablishment of tank- and property leases have been recognised and measured according to IAS 37, Provisions, Contingent Liabilities and Contingent Assets, USD 303k. There have been no adjustment to the carrying amount of leasehold improvements.

NOTE 31 ACCOUNTING POLICY

Basis of preparation and adoption of IFRS
The consolidated financial statements of OW Bunker A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. Furthermore, the consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost convention, as modified by inventories and derivative instruments at fair value through income statement or at fair value through other comprehensive income as hedging instruments.

The Board of Directors and the Management Board have on 24 February 2014 considered and adopted the annual report for 2013, which will be presented for adoption by the shareholders at the Company's Annual General Meeting on 4 March 2014.

OW Bunker A/S is a limited company, incorporated and domiciled in Denmark with its registered office Stigsborgvej 60, 9400 Nørresundby.

First time adoption of IFRS
These are the Group's first consolidated financial statements prepared in accordance with IFRS as adopted by the EU, and additional Danish disclosure requirements for listed companies. The accounting policies comply with each IFRS effective at the end of 2013. The Group has in addition to this voluntarily applied the amended IAS 32, Financial Instruments: Presentation, that has been issued but are not yet effective. The amendment clarifies the requirements relating to the offset of financial assets and financial liabilities.

Previously, the Group has prepared the consolidated financial statements in accordance with Danish GAAP. Note 30 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 31 December 2012 prepared under Danish GAAP.

Consolidation
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 on the basis of the financial statements of OW Bunker A/S and its subsidiaries. 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.

Business combinations
The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired are recorded as goodwill. Goodwill is tested annually for impairment.

Business combinations within the Group are recognised and measured using the pooling of interest method according to which the acquired assets and liabilities are recognised and measured at carrying amounts as of the beginning of the financial year. Any difference between the carrying amounts of the net assets and the consideration of the aquisition is recognised in other comprehensive income.

Segment reporting
The Group operates with an integrated business model, serving our customers with two distribution models, reselling and physical distribution.

In both models, we control and manage the customer relationship throughout the entire transaction and provide value added

NOTE 31 ACCOUNTING POLICY (CONTINUED)

products and services, such as risk management solutions and trade credit.

In a physical distribution transaction as in a reselling transaction, we manage and guarantee the delivery of marine fuel to the customer. In addition, we perform the majority of the steps in the marine fuel value chain with the infrastructure we control, from sourcing of marine fuel and marine fuel components, storage and blending through to marketing and sale followed by physical delivery to end customers.

In a reselling transaction, we manage and guarantee the delivery of marine fuel to the customer and we purchase both the marine fuel and the physical delivery service from a third-party physical supplier.

The activities in reselling and physical distribution are seen as one integrated business model and are therefore combined into a single reportable segment as they show a similar long-term economic performance, have comparable products and services, customer industries and distribution channels, operate in the same regulatory environment, and are managed and monitored together.

This is reported in a manner consistent with the internal reporting provided for the chief operating decision makers. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the activities, has been identified as the key management personnel.

Derivatives and hedge accounting
A derivative financial instrument is initially recognised at fair value on the date the contract is entered into and is subsequently remeasured at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

(a) Cash flow hedge
The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates. The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income and transferred to the income statement when the interest costs on the borrowings is recognised in the income statement within "Finance costs". The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the income statement within "Financial items".

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is amortised to income statement using the effective interest rate method.

(b) Derivatives that do not qualify for hedge accounting
The Group also uses derivative instruments for risk management purposes. Although these derivatives are linked to the inventory or future underlying transactions, they do not meet the criteria for hedge accounting as defined by the International Accounting Standard ("IAS") 39 "Financial Instruments: Recognition and measurement" and thus do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the income statement within "costs of goods sold" and specified in the notes.

(c) Firm commitments
A Fixed Price Physical (sales contract) is a firm commitment to a future physical bunker fuel delivery to a customer at a prearranged location (Port) at a fixed Price at specified future dates that are hedged by designated hedging instruments (derivatives). Due to the fact that the underlying asset (marine fuel) is readily convertible to cash these contracts are recognised at fair value on the date the contract is entered into and is subsequently remeasured at its fair value. Changes in the fair value of these derivative instruments are recognised immediately in the income statement within "cost of goods sold" and specified in the notes.

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in financial items.

The results and financial position of all of the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; income and costs for each income statement are translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income.

NOTE 31 ACCOUNTING POLICY (CONTINUED)

Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Income tax
The tax charge for the year, which includes current tax and changes in deferred tax, is recognised in the income statement account with the amount that can be attributed to the income statement for the year and directly in other comprehensive income and equity with the amount that can be attributed to these items.

Current tax payable or receivable is recognised in the balance sheet as the estimated tax charge on the taxable income for the year, adjusted for tax paid on account. Deferred tax on all temporary timing differences between the accounting and tax value of assets and liabilities is recognised, and the tax value of the assets is determined on the basis of the planned use of the individual asset.

Deferred tax is measured on the basis of the tax rules and tax rates in the countries concerned which, at the balance sheet date, will apply when the deferred tax charge is expected to become a current tax charge. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement account.

Deferred tax assets, including the tax value of tax losses carried forward, are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The parent company is taxed on a consolidated basis with its Danish subsidiaries. Current Danish corporation tax is allocated to the tax-consolidated companies in proportion to their taxable incomes (full allocation subject to reimbursement in respect of tax losses).

BALANCE SHEET

Goodwill
Goodwill arising on an acquisition is measured at cost established at the date of acquisition (see above) less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually at the balance sheet date or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as a cost and is not subsequently reversed.

Other intangible assets
Other intangible assets comprise uncompleted and completed software development projects and prepayment for intangible assets (if any).

The costs of software projects comprise costs such as consultancy fees, internal salaries and licences that are directly and indirectly attributable to the software development projects.

Completed software projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is three years.

Other intangible assets are written down to the lower of recoverable amount and carrying amount (see below).

Costs associated with maintaining computer software programmes are recognised as a cost as incurred.

Property, plant and equipment
Vessels as well as operating assets and equipment are recognised at cost less accumulated depreciation and impairment. Cost includes the cost of acquisition plus costs directly related to the acquisition up to the time the asset is ready to be put into operation. For assets with a long construction period, borrowing costs during the construction period from specific as well as general borrowings are attributed to cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment are depreciated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Operating assets and equipment, 3-6 years with residual values of USD 0.
- Vessels, 25 years with residual values based on the market price per lightweight ton for scrapping of the vessels.

NOTE 31 ACCOUNTING POLICY (CONTINUED)

The depreciation period for secondhand vessels is determined on the basis of the condition and age of the vessels at the time of acquisition. However, the depreciation period does not exceed 25 years from delivery from the date of birth of a vessel.

Dry-docking costs are recognised in the carrying amount of vessels when incurred and depreciated over the period (typical 2-3 years) until the next dry-docking.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see below).

Profit and losses on the sale of property, plant and equipment are determined as the difference between the sales price less sales costs and book value at the time of sale. Profit and losses are recognised in the income statement.

Impairment of non-financial assets
Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment each year (see above).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of nonfinancial assets (other than goodwill) are reviewed for possible reversal at each reporting date and reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Inventories
The inventories are principally acquired with the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin. Inventories, comprising of commodities held for resale, are stated at fair value less costs to sell, with changes in fair value less costs to sell recognised in the income statement within 'cost of goods sold'. Inventory is recognised at fair value equal to the official Platts quotation for the specific type and quality of oil product.

Financial assets
Management determines the classification of financial assets at initial recognition. The classification depends on the purpose for which the financial assets were acquired.

Derivatives
Derivatives are classified as held for trading (fair value through income statement) unless they are designated as hedges. See separate section regarding derivatives.

Loans and receivables
All other financial assets are classified as loans and receivables.

Financial assets are recognised on the trade-date at fair value plus transaction costs for all financial assets not carried at fair value through income statement. Financial assets carried at fair value through income statement are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Trade receivables and other receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade debtors, other receivables and cash balances.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Loans and receivables are subsequently carried at amortised cost using the effective interest method less any provisions for bad debts (impairment losses).

Provisions for bad debts are computed on the basis of an individual assessment of the receivables. The carrying amount is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in income statement.

Other receivables
Other receivables include primarily VAT and are measured at amortised cost.

NOTE 31 ACCOUNTING POLICY (CONTINUED)

Prepayments
Prepayments consists primarily of prepaid costs and are recognised at cost.

Cash and cash equivalents
In the consolidated balance sheet cash consists of bank balances. In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and certain bank credit facilities. In the consolidated balance sheet, bank credit facilities are shown within borrowings in current liabilities.

Financial liabilities
Management determines the classification of its financial liabilities at initial recognition.

Derivatives
Derivatives are classified as held for trading (fair value through income statement) unless they are designated as hedges. See separate section regarding derivatives and hedge accounting.

Other financial liabilities
All other financial liabilities are classified as other liabilities. Other financial liabilities, including borrowings and trade and other payables, are subsequently measured at amortised cost using the effective interest method.

Borrowings
Borrowings are classified as other financial liabilities and are subsequently measured at amortised cost using the effective interest method.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Other payables
Other payables consist of primarily VAT and certain employee obligations. Contingent consideration in business combinations measured at fair value through income statement are also included in other payables.

Provisions
Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest cost in income statement.

INCOME STATEMENT

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity.

Revenue consists of resale of fuel products.

Sales of fuel products are recognised upon passing of title to the customer which generally coincides with delivery and acceptance of the goods sold.

Cost of goods sold
Cost of goods sold includes costs incurred to purchase goods, adjusted for changes in inventories of goods for resale. Commodity derivatives held for trading and fixed price sales contracts are also included in cost of goods sold.

Operating costs
Operating costs include primarily operating lease costs (see separate section regarding lease accounting) and vessel costs including bunker and harbour costs.

Other external costs
Other external costs comprise expenditure related to distribution, sales, advertising, administration, premises and bad debt.

Staff costs
Staff costs include wages and salaries, social security costs, pensions etc. to the employees.

The Group operates various post-employment schemes, but only as defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate fund.

The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as staff costs when they are due.

NOTE 31 ACCOUNTING POLICY (CONTINUED)

Depreciation, amortisation and impairment
Depreciation, amortisation and impairment concern depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Special items
Special items are used in the presentation of the income statement for the year to distinguish certain items from the other items of the income statement. In connection with the use of special items it is crucial that they are significant items not directly attributable to the ordinary operating activities of the Group. Special items consist of restructuring costs relating to fundamental structural, procedural and managerial reorganisations as well as any related gains or losses on disposals. Moreover, other significant non-recurring items are classified under this item.

Financial income
Financial income consist primarily of interest income including interest income from related parties and foreign exchange gains and gains on currency derivatives held for trading.

Financial costs
Financial costs includes interest costs on borrowings including interest from related parties. The effective part of interest rate swaps are reclassified from equity to finance costs through other comprehensive income when the hedged cash flow affect income statement. Financial costs also includes losses on currency derivatives and foreign exchange losses as well as the unwind of discount on provisions.

CASH FLOW STATEMENT

The cash flow statement shows cash flow from operating, financing and investing activities, changes in cash flow for the year and cash at the beginning and end of the year.

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 flow from investing activities comprises additions and disposals of intangible assets and property, plant and equipment.

Cash flow from financing activities includes long-term liabilities and related repayments as well as dividends paid.

Cash and cash equivalents consists of drawn bank credit facilities less cash. These items are monitored in the daily cash management and considered as the Group's credit facility financing net working capital.

NOTE 31 ACCOUNTING POLICY (CONTINUED)

DEFINITION OF FINANCIAL HIGHLIGHT AND KEY RATIOS

Volume
We define volume as the volume of transactions of various classifications of intermediate marine fuel oil and distillate fuel oils for the relevant period, measured in tonnes, on which we make a margin.

Volume includes volumes sold through reselling transactions and physical distribution transactions. In addition, volume includes the limited part of transactions that are cross-sold between reselling and physical distribution, or vice versa. In cross-selling transactions, our two distribution models cooperate with each other to service an external customer. Our cross-selling transactions consist of

- reselling transactions where we contract with our physical distribution to carry out the physical delivery of marine fuel to the reselling customer instead of outsourcing it to a third-party supplier, and

- transactions in which our physical distribution operations arrange delivery to customers through using our reselling operations to manage the transaction.

In cross-selling transactions, the marine fuel is subject to two distinct transactions, each of which earns a market margin. As our volume includes all transactions on which we make a margin at market terms, cross-sold volume is counted both towards our reselling volume and our physical distribution volume. We manage, measure and conduct our operations in this integrated manner, as we believe this allows us to optimise our internal efficiency and provide a better and more competitive service offering to our customers.

Trade working capital
The sum of inventories and trade receivables less trade payables.

Net working capital
The sum of inventories, trade receivables, other receivables recognised as current assets, prepayments, derivatives recognised as assets less trade payables, less derivatives recognised as current liabilities less other payables recognised as current liabilities and less bank credit facilities.

Net interest bearing debt
Interest-bearing debt at year-end less interest-bearing assets at year end.

Gross profit per tonne
Gross profit divided by volumes measured in tonnes.

EBT per tonne
Profit before tax (EBT) before special items divided by volumes measured in tonnes.

EBT conversion ratio
Profit before tax (EBT) before special items divided by gross profit.

Return on equity (ROE)
Profit for the year divided by average total equity.

Equity ratio
Total equity divided by total assets.

Earnings per share
Share of profit for the year divided by the average number of shares.

Diluted earnings per share
The OW Bunker A/S shareholders' share of profit for the year divided by the average number of fully diluted shares.

NEW OR AMENDED STANDARDS NOT YET EFFECTIVE

At the date of the issuance of this consolidated financial statements a number of IFRS's and IFRIC's have been issued by the IASB that are not yet effective, including IFRS 9 Financial Instruments: Recognition and Measurement. The Management anticipate that the application of these new and revised standards and interpretations will have no major impact on the Group's consolidated financial statements.

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

Note	USD '000	2013
	Other external costs	-19
	Profit before interest and tax (EBIT)	**-19**
1	Financial costs	-522
	Profit before tax (EBT)	**-541**
2	Income taxes	135
	Profit for the year	**-406**
	Proposed distribution of profit:	
	Retained earnings	-406
		-406

PARENT COMPANY BALANCE SHEET, ASSETS

Note	USD '000	31 December 2013
3	Investment in subsidiary	891,814
	Total non-current assets	**891,814**
2	Current tax	135
	Cash and cash equivalents	128
	Total current assets	**263**
	Total assets	**892,077**

PARENT COMPANY BALANCE SHEET, EQUITY AND LIABILITIES

Note	USD '000	31 December 2013
4	Share capital	1,256
	Reserves	890,802
	Equity shareholders in OW Bunker A/S	**892,058**
	Other payables	19
	Current liabilities	**19**
	Total liabilities	**19**
	Total equity and liabilities	**892,077**

PARENT COMPANY
STATEMENT OF CHANGES IN EQUITY

USD '000	Share capital	Retained earnings	Total equity
Profit for the year	-	-406	**-406**
Paid-in share capital	15	-	15
Decrease of share capital	-15	-	-15
Increase of share capital	1,256	-	1,256
Merger as of 1 January 2013	-	891,208	891,208
Transactions with shareholders	**1,256**	**891,208**	**892,464**
Total at 31 December 2013	**1,256**	**890,802**	**892,058**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Notes

USD '000	2013
NOTE 1 FINANCIAL COSTS	
Other finacial costs	-522
Total	**-522**
NOTE 2 TAX	
Current tax:	
Current tax on profits for the year	135
Total	**135**
Income tax cost recognised in profit and loss	**135**
NOTE 3 INVESTMENT IN SUBSIDIARY	
Cost	
Additions in the year, merger	891,814
31 December 2013	891,814
Book value at 31 December 2013	**891,814**
NOTE 4 SHARE CAPITAL	
Share capital paid-in 1 January	15
Share capital decrease	-15
Share capital increase, during merger	1256
Book value at 31 December 2013	**1,256**

The share capital has according to the register og shareholders a nominal value of DKK 6,892,477 and consist of: 6,892,477 shares of DKK 1, corresponding to USD 1,256 million.

No shares have any special rights.

NOTE 5 CONTINGENT LIABILITIES AND COLLATERAL

Contingent liabilities
Joint tax arrangement:
The company is included in a mandatory Danish joint tax arrangement with the sister company W.S.S. Holding A/S and its Danish subsidiaries. Wrist Adm ApS is the administration company in the joint taxation.

The company is jointly and severally liable according to the corporate tax act of 1 July 2012 for corporate income tax and withholding tax on interests, royalties and dividend for the joint arrangement companies. The contingent liability regarding current income taxes is estimated to USD 1.6 million.

NOTE 6 RELATED PARTIES

Altor Fund II GP Limited in its capacity as general partner and investment manager to Altor Fund II is controlling OW Bunker A/S, which is the ultimate Danish holding company of the Group.

Related parties of the company are constituted by the parent company of OW Bunker A/S, and the parent companies of this company and its subsidiaries.

Related parties of the Group with significant influence comprise members of the Board of Directors and key management personnel. Remuneration for Directors and key management personnel is detailed in note 26 to the consolidated financial statement.

NOTE 7 EVENTS AFTER THE BALANCE SHEET DATE

In January 2014, OW Bunker announced the launch of a new operation in Colombia. The move into the Colombian bunker market builds upon OW Bunker's presence across the region with existing offices in Chile, Uruguay, Panama and Brazil.

In March 2014, OW Bunker announced its intention to launch an Initial Public Offering and to list its shares on NASDAQ OMX Copenhagen. The contemplated IPO is an important milestone for OW Bunker, providing a long-term platform to support OW Bunker's strategy and future growth, further enhancing its profile as well as providing a diversified base of new Danish and international shareholders, institutional as well as private.

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

NOTE 8 ACCOUNTING POLICIES

The annual financial statements for the parent company are included in the annual report in pursuance of the requirements of the Danish Financial Statements Act.

The financial statement of the parent company has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (big).

The accounting policies for the financial statement of the parent company are the same as for the consolidated financial statement with the following additions.

For a description of the accounting policies of the Group, please refer to the consolidated financial statement note 31.

Income from investments in subsidiary
Income from investment in subsidiary comprises dividend received from the individual group enterprises in the financial year.

BALANCE SHEET

Investments in group enterprises
Investment in subsidiary is measured at cost and is written down to the lower of recoverable amount and carrying amount.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

CASH FLOW STATEMENT

As the consolidated financial statement includes a cash flow statement for the entire Group no individual statement for the parent company has been prepared.

NOTE 9 GROUP COMPANIES

	Registered office	Currency	Nominal share capital	Holding
			USD '000	
Investments in subsidiaries				
OW Bunker A/S	Denmark	USD	1,256	100%
Wrist Marine Supplies A/S	Denmark	USD	1,270	100%
O.W. Bunker & Trading A/S	Denmark	USD	813	100%
O.W. Supply & Trading A/S	Denmark	USD	155	100%
O.W. Supply (Switzerland) SA	Switzerland	CHF	5,500	100%
O.W. Cargo Denmark A/S	Denmark	USD	155	100%
O.W. Bunker & Trading (Chile) Ltda.	Chile	USD	20	100%
O.W. Bunker Far East (Singapore) Pte Ltd	Singapore	SGD	400	100%
O.W. Bunker Australia Pty Ltd	Australia	AUD	0	100%
Falcon Oil Ltd.	Malta	USD	5	100%
O.W. Bunker Malta Ltd.	Malta	USD	5	100%
O.W. Riga Bunkering Ltd.	Latvia	LVL	25	67%
O.W. Bunker (Netherlands) B.V.	Netherlands	EUR	18	100%
O.W. Bunker (Belgium) N.V.	Belgium	EUR	4,648	100%
O.W. Bunkers (UK) Ltd.	U.K.	GBP	0	100%
O.W. Bunker Sweden AB	Sweden	SEK	300	100%
O.W. Bunker South Africa Pty. Ltd.	South Africa	ZAR	0	100%
O.W. Bunker China Ltd.	Hong Kong	HKD	10,000	100%
O.W. Bunker Klaipeda Ltd.	Lithuania	LTL	10	100%
O.W. Bunker (Switzerland) SA	Switzerland	CHF	2,000	100%
O.W. Bunker Spain SL	Spain	EUR	4	100%
O.W. Bunker Panama S.A.	Panama	USD	0	100%
O.W. Bunker Canary Islands S.L.	Canary Islands	EUR	600	100%
O.W. Bunker Holding A.Ş.	Turkey	TRL	5,816	100%
TBS Denizcilik ve Petrol Ürünleri DiŞ Ticaret A.Ş.	Turkey	TRL	4,600	100%
TS Denizccilik Tasimacilik ve Ticaret AS	Turkey	TRL	3,800	100%
O.W. Bunker (South Korea) Ltd.	South Korea	KRW	50,000	100%
O.W. Bunker Germany GmbH	Germany	EUR	32	100%
O.W. Bunker Middle East DMCC	U.A.E	AED	200	100%
Amirtol SA	Uruguay	UYU	215	100%
O.W. Bunker & Trading do Brasil Petroleo Ltda.	Brazil	BRL	1,000	100%
O.W. Bunker & Trading do Brasil Distribuidora de Petroleo Ltda.	Brazil	BRL	0	100%
O.W. Bunker & Trading (India) Private Ltd.	India	INR	4,500	100%
O.W. Bunker Holding North America Inc.	USA	USD	100	100%
O.W. Bunker North America Inc.	USA	USD	100	100%
O.W. Bunker USA Inc.	USA	USD	350	100%
O.W. Bunker (Colombia) S.A.S.	Colombia	COP	94,115	100%
Bergen Bunkers Holding AS	Norway	NOK	2,030	100%
Bergen Bunkers A/S	Norway	NOK	2,600	100%
Bergen Bunkers Neva LLC	Russia	RUB	260	100%
O.W. Global Trading A/S	Denmark	USD	185	78%
O.W. Global Trading SA	Switzerland	CHF	1,000	100%
O.W. Tankers A/S	Denmark	USD	870	100%
Rederiet O.W. Scandinavia A/S	Denmark	USD	87	100%
Rederiet O.W. Baltic A/S	Denmark	USD	182	100%
Rederiet O.W. Atlantic A/S	Denmark	USD	87	100%
Rederiet O.W. Aalborg A/S	Denmark	USD	97	100%
Rederiet O.W. Copenhagen A/S	Denmark	USD	97	100%
Rederiet Oxana A/S	Denmark	USD	88	100%
Rederiet O.W. Pacific A/S	Denmark	USD	90	100%
Dynamic Oil Trading (Singapore) Pte Ltd.	Singapore	SGD	1,000	100%
Dynamic Oil Trading Holding A/S	Denmark	USD	91	100%
Dynamic Oil Trading Middle East DMCC	U.A.E	AED	0	100%

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