



The Annual Report was presented and adopted at the Company's Annual General Meeting on 21 June 2023

A white, handwritten signature of Kenneth Steengaard, the Chairman of the meeting.

Chairman of the meeting, Kenneth Steengaard

Financial year: 1 January 2022 - 30 April 2023

A/S Global Risk Management Ltd. Fondsmæglerselskab  
Strandvejen 7 · DK-5500 Middelfart

Company reg. no. 39065606 · FSA no. 8325

A large, stylized graphic of the number '2023' is overlaid on the page. The numbers are filled with a dark, semi-transparent material, and the background of the numbers is a composite of various aerial photographs showing a river, a railway track, and green vegetation.

GLOBAL  
RISK  
MANAGEMENT  
INVESTMENT FIRM  
ANNUAL REPORT

An aerial photograph of a river flowing through a rocky, forested landscape. A railway track runs parallel to the river. A large, semi-transparent green graphic, resembling a stylized 'C' or a large bracket, is overlaid on the image, framing the central text.

# Contents



4	Letter from the CEO
8	Company introduction
11	Succeeding in volatile times
14	Client distribution
16	Market expertise results in record-setting year
18	<b>Financial review</b>
22	Board of Directors and Executive Management
26	<b>Financial statements</b>
27	Income statement and statement of comprehensive income
28	Balance sheet
29	Statement of changes in equity
30	Notes to the financial statement
50	<b>Management's statement</b>
52	<b>Independent auditor's report</b>



**Global Risk Management has delivered its best result ever. This is a testament to GRM's ability, adaptability, and will to service and deliver on every client's needs. Something GRM has always been adamant about as the cornerstone of its business.**

Peder D. Møller, CEO of Global Risk Management



# A defining year for GRM

2022/2023 has been a strong but challenging year for Global Risk Management. We have delivered a record-breaking result while supporting our clients in hedging their energy needs throughout a difficult time of uncertainty and volatility. The past year's success stands to testament that GRM is well prepared to take on even more challenges in the future.

We have faced a challenging year navigating the global energy markets, with volatility and change being driving factors for both challenges and opportunities. The war in Ukraine and the related uncertainty regarding oil and gas supply have been the main drivers of energy prices. At the same time, the Chinese economy's reopening has created ripples in the water, and rising demand for alternative fuels and related EUA certificates has created additional business areas.

Hedging future fuel or energy consumption is crucial to managing the inevitable price risk, especially as we have experienced increasing commodity prices. And as pricing has been extraordinarily difficult to anticipate this year, this has led to a rise in new clients hedging their energy needs – and existing clients to expand on their business.

However, generating a strong result is not just an outcome of favourable market conditions. In 2021 we launched a new strategy that strengthens internal processes and introduces a more focused client approach. 2022/2023 has been the year where these elements have gained traction.



**At the heart of GRM's success is a spirit of hard work, determination, and a willingness to embrace change. That is why GRM is ready to take on any challenge and seize the opportunities that comes our way.**

## **Scaling for the future**

In an ever-changing market, our internal processes must function as a well-oiled machine and be scalable as our business grows while always staying relevant to our clients. This means we constantly monitor market trends, expand our product portfolio, and meet our clients where they need us. I'm proud to say that we have succeeded in developing our business soundly and thoroughly while managing the ups and downs in our immediate environment.

The continued development of our business has also meant that we have welcomed new people into our global team, supporting both sales, analyses, and back-end functions. Being able to attract young talents and experienced market people is essential to our business, and we are pleased to grow in this way.

Another significant milestone for us in the passed year is our establishment as an independent company directly under United Shipping & Trading Company (USTC).

With GRM on an equal footing with the other companies of the USTC Group, we can create even more value for and external customers, and we look forward to benefiting further from internal synergies as well. The change is also essential for our future development and growth. And I'm happy that customers and business partners have received the change exceptionally well.

## **New opportunities on the horizon**

Looking ahead, some topics stand out more than others. The uncertainty regarding energy supply is not over yet, but the transition towards greener fuels is ongoing. We are very aware of our customers' needs and wishes, and being able to deliver our core service in lighter, fossil-free products is a necessity for staying relevant. That is why GRM will put an even greater emphasis on expanding these products in our portfolio in the coming year.



In May 2023, we embarked on a journey to incorporate environmental, social and governance (ESG) matters into our core business strategy from a commercial, operational and organisational perspective. Using a double materiality perspective, we have set out to identify the impacts, risks and opportunities that are material to our business and focus our ESG efforts accordingly. Working with ESG

more strategically, structured and transparently is uncharted territory for us, and we recognise that we have much to learn as an organisation. However, we are determined to advance our efforts within sustainability, and we look forward to the journey.

As the previous year's volatility has clearly shown, the future of global

energy markets is difficult to predict. War erupted in Europe, the Covid-pandemic is loosening its grip on the world economy, and new fuels and sustainable energy are becoming increasing factors in the energy markets. Throughout this, Global Risk Management holds a strong position with skilled employees, strong financial backing and strong leadership looking ahead.

# Company introduction

A/S Global Risk Management Ltd. Fondsmæglerselskab (GRM) is a subsidiary of the USTC group. GRM was established as a separate legal entity with an investment firm license on 3 January 2018 following the implementation of the MiFID II.

Our commercial focus is to enable international and domestic clients to manage their energy price exposure and associated liquidity risk by giving access to bilateral trading and margin funding in relevant derivative instruments. Our commercial history pre-dates our establishment in 2018, as similar commercial activities have been conducted in A/S Global Risk Management Holding since 2004.

Result before tax



**19.9** M USD

Equity



**54.8** M USD



Despite the past year being marked by a series of global setbacks, the horrible war in Ukraine, a looming global recession, and a growing need for more complex and diversified energy solutions, we have achieved fantastic results. This is very much an outcome of our strong, people-centric strategy.

# Succeeding in volatile times

Strong team players with specialised skills and financial backing that give clients security in their energy hedging have been vital to our success during the past year's volatility.

We have committed to staffing up both the back and front ends of the business, and at the front end of the business, several new hires have been made among the traders and analysts. We are picking our specialists with more diverse backgrounds in finance and banking and not just from former oil industry players. However, in building our strongest team, a high level of expertise is crucial, but the human factor is equally important.

Creating a strong and inclusive company culture that allows for teamwork instead of individuals to shine has been key. Everyone performs better when it is fun to come to work, and we win as a team. And as the products and solutions we provide become more complex, the organisation has no room for silos. Supportive, diverse, and team-inspired employees are how we succeed, as we have shown through excellent results.



Martin Vorgod, Chief Commercial Officer of Global Risk Management

Having the right competencies working together in GRM has helped weather the storm that has been the past year. Still, more initiatives are to be put in motion in preparation for the continued volatile future.

## Change calls for agile responses

As the world is changing GRM changes with it.

We have historically been focused on conventional fossil energy solutions. But today, internal clients across the USTC entities, as well as external clients, have shifted their focus towards alternative fuels such as liquid natural gas, electricity, and bioproducts like ethanol and biodiesel.

This change is not just in the maritime industry, which traditionally has been our core market. Heavy industry and other energy-intensive sectors are also becoming a growing market for GRM's solutions.

Brickworks, bakeries, and cement facilities are some of the industries now taking an interest in hedging solutions. As gas prices at times rose more than sixfold in the past year, production companies nearly crumbled under the weight of energy bills. This realisation among energy-heavy industries has led to new business areas for us and has opened new markets, particularly in Western Europe, to the energy solutions we can provide.

While seeing a diversification of our client portfolio, we have also spent much time and effort preparing for an expanded product portfolio. Alternative fuels are not just a way of diversifying risk in potential shortage situations. Carbon emission-reducing actions are also part of the new business reality of companies.

## Future agenda: Carbon emissions

In the coming years, the green transition is poised to become even more dominant in the energy markets. European Union Allowances, EUAs, have been around since 2005, but as of 2024, the climate credit system will also be applicable to the global

shipping industry anchoring up in European harbours.

Implementing the EUAs will be complex and costly to ship merchants and require knowledge of the systems, such as the ETS, the emission trading scheme. The need for veteran experts to guide clients through the increasing regulation will continue to grow.

The regulations regarding carbon offsetting and lowering emissions are becoming complex. We have been testing the waters and have already put together expert groups to deal with these changes in the industry. As increased expertise becomes necessary among our clients, we are ready to deliver.

Whether it is shipping or heavy industry and regardless of the need for fossil fuels or new and alternative fuels with the added requirements of attaching climate certificates, we have the experts, the experience, and the will to become the preferred partner in an ever-changing market.





“

**Building a strong and inclusive company culture that allows for teamwork instead of individuals to shine has been key. When it is fun to come to work, and we win as a team, everyone performs better.**

Martin Vorgod, Chief Commercial Officer  
of Global Risk Management

# Client distribution





We offer our services to corporate clients who are exposed to fluctuations in energy prices and wish to hedge those exposures to secure their budgets. The clients are grouped into the segments of shipping, supplier, aviation, and industry.

Being risk managers by nature, an important aspect of our business is to diversify risks. Therefore, we continue to focus on diversifying our client base and securing a balance between the natural buyers and sellers of energy.

The geographical focus has historically been Scandinavia and North-West Europe. Niche geographical areas are also served.

Going into the fiscal year of 2022/2023, Global Risk Management was looking into a volatile period marred by political sanctions and central banks raising interest to slow inflation. These challenges, however, have served as the backdrop to a strong year of risk management, renewed client assessments, and a particular emphasis on compliance to achieve record-breaking results.

# Market expertise results in record-setting year

Running a risk management business for the past 15 years means we have solid expertise in assessing and mediating risks when it comes to energy price risk management. However, this past year has been exceptional, with increased volatility and increased demand for our services from multiple new clients.

The growing focus on risk management around existing and new industries has led us to become an even stronger partner in energy price risk management. GRM has experienced a strong pull from new and existing clients to aid in achieving budget security against rising energy prices. And with the increased opportunities in new and existing industries, we have worked intensively on making sure risky business cases would not jeopardise the strong performance of the client portfolio, further underlining the importance of strong customer relations. Security and trust are and have always been keywords.

## Becoming the market experts

As a regulated investment firm, GRM is subject to thorough financial regulation. With this year's rapidly evolving sanctions towards Russian-origin

energy, fail-safes and compliance have become of even greater importance.

Therefore, we have invested in optimising our internal risk models. Amongst other things, we have added a new component of risk and reward to our models, which helps us make strong assessments of the potential future exposure at risk. Taking a more conservative approach has resulted in a smaller volume of traded energy with less exposure towards clients but a higher level of security for all.

As sanctions within the energy industry have been fast-changing, and volatility in pricing has pushed many to seek help, risk management has for the past year not only been about assessing risk but also about staying compliant with changing sanctions. This has moved GRM to further utilise its strong connections within the larger ownership conglomerate, United Shipping and Trading Company, USTC.

## Strong Group synergies

With GRM having to continuously remain on top of suppliers and clients to ensure compliance in every trade, we have expanded our staffing in the legal and compliance team.

We have employed several IT solutions towards sanctions checks, but we are still heavily reliant on our skilled employees' common sense and a strong moral compass.

No system is perfect, and a trade that initially may clear sanctions lists might raise attention from human insights and instincts. Several changes in ownership can be a red flag the system doesn't catch, but something we need to respond to. As part of our owner Group's focus on upscaling and delivering on compliance and governance, this is a business crucial area. Consequently, we have consolidated our legal and compliance team while adding more colleagues to this field.

Global Risk Management continues its focus on more advanced risk assessments, more Group collaboration and synergies on IT systems, and a more specialised focus on every new greener energy to bring to market. This is what is keeping GRM as their clients' preferred partner and at the forefront of the industry.



“

**With increased volatility and increased demand for our services, our expertise in hedging energy price risks has been more necessary than ever.**

Jacob Nørgaard, CFO of Global Risk Management

# Financial review



## Highlights of 2022/23

In the financial year 2022/23, GRM achieved a:

- net trading income of 26.8 M USD versus 14.0 M USD in 2021/22
- result before tax of 19.9 M USD versus 4.4 M USD in 2021/22
- net result of 15.3. M USD versus 3.5 M USD in 2021/22
- equity of 54.8 M USD and a return on equity after tax of 30.5%
- capital surplus of 23 M USD compared to the K-factor capital requirement and a 16.2 M USD surplus compared to the individual solvency requirement

## Financial review

GRM result before tax increased by 158% in 2022/23 compared to last year's result.

The net trading income displayed a 91% increase compared to the performance in 2021/22.

Net interest was at -259 T USD, which is 744 T USD better compared to a negative net interest of 1.003 T USD in the previous financial year. Staff and administrative expenses reached 7.3 M USD, an increase of 1.5 M USD compared to the previous financial year,



The total balance sheet amounted to 121 M USD, which is lower compared to a balance last year of 273 M USD. On 30 April 2023, the average initial contract price of the portfolio of open financial instruments traded with customers is more in line with the market price. This reduces the balance size significantly compared to last year's balance.

### **Risks and uncertainty associated with the value assessment and recognition thereof**

Minor uncertainty can be present in the value assessment of the unrealised financial derivatives categorised level 2 as they are traded OTC (Over The Counter). For these instruments, forward curves must be derived through market observations, available market data and by use of spreads to other directly observable instruments. To minimise the uncertainty associated with the value assessment of these instruments, the derived forward curves are continuously tested against

independent third parties and against other market makers with whom we are trading said instruments.

However, as most of the transactions are traded on a back-to-back basis, any uncertainty remaining after our validations and controlling will be minor as a gain or loss associated with the value assessment will be almost entirely offset by the opposing loss or gain on the hedging transaction as can also be seen from note 10.

No other uncertainty or event that could potentially affect the value assessment occurred over the financial year.



## Solvency and capital ratio

The Investment Firm Regulation, including capital requirements on Investment Firms, was implemented in this Financial Year. Until 2026 GRM is subject to a transitional requirement of twice the initial capital requirement of 824 T USD. From the financial year 2026/27, GRM will be subject to the K-factor requirement in the new regulation. The transitional requirement is currently 1.6 M USD, and the K-factor requirement is 19.4 M USD.

Own funds reached 54.8 M USD on 30 April. On 30 April 2022, the equity amounted to 45.5, and a planned extraordinary dividend payout of 6 M USD was made at the beginning of this financial year. No dividend payout is planned for the financial year 2022/23.

The risk-weighted assets totalling 242.9 M USD are comprised of:

- 242.7 M USD related to counterparty risk
- 0.1 M USD related to market risk
- 0.1 M USD related to operational risk

The solvency ratio of 22.5 % is well above the regulatory capital requirement of 8% and the individual solvency requirement of 11.7 %. The strong solvency continues to allow GRM to focus on the organic growth of the business.

## Risks and risk management

When providing the services of trading in financial commodity derivatives and margin financing to clients, we expose ourselves to different risks, such as credit, market, liquidity and operational

risks, that are quantified and monitored on an ongoing basis to ensure stable long-term profitable growth.

The Board of Directors determines the appetite towards the different risks based on recommendations from the Risk Committee. It is accompanied by clear mandates to the Executive Management and policies for the individual risk areas, stating the principles for identifying, managing, and reporting the risks to the Board of Directors.

A policy for the prevention of conflict of interest has also been adopted to ensure the proper organisational design and independent monitoring and reporting.

The Executive Management has implemented operating procedures that support and implement the risk



policies into the ongoing business management. The procedures are designed to ensure the necessary segregation of duties and eliminate any potential conflict of interest that could have an adverse effect on the quality of the risk management.

Market volatility on fuel and other oil-related commodities is very high compared to most other asset classes. The Board of Directors has set out a risk appetite statement where the market risk appetite is limited while it is the business model of GRM to provide credit lines to clients hedging risk with GRM.

The Risk Committee convene semi-annually.

For a more detailed description of the risks, please see note 14.

## Expectations for the financial year 2023/24

The net result for the financial year 2023/24 is expected to be around 8.7 M USD.

## Events after 30 April 2023

No event that could potentially affect the assessment and valuation of this Annual Report has occurred after 30 April 2023 and up until the adoption of this report.

## Report on gender composition in management

(cf. Section 135a in the Danish FSA's Executive Order on Financial Reports for Credit institutions and investment companies).

## Targets for the underrepresented gender in the Board of Directors

The Board of Directors in A/S Global Risk Management Ltd. Fondsmæglerselskab consists of three female and two male members. GRM strives to maintain this balance on the Board of Directors.

## Policy for the underrepresented gender at other management levels

The company's policies for the underrepresented gender at different management levels are disclosed in the Financial Statement of United Shipping and Trading Company A/S for 2022/23.

## Knowledge management

We differentiate ourselves from our competitors by offering superior service to our clients while providing access to various hedging solutions and sharing our expert knowledge about the markets.

To offer such a service, we are dependent on attracting and keeping highly motivated and experienced employees with specialist competencies in derivatives trading and risk management.

We strive to be an attractive workplace by offering a good working environment, focusing on personal development, and offering competitive remuneration packages that emphasise individual and team performance.

To ensure optimal use of the available resources in the group, we have entered into split contracts with our employees together with A/S Global Risk Management Ltd. Holding. 38 employees are hired on these split contracts, equivalent to 25 full-time employees.

## Remuneration policy

The Board of Directors reviews and approves the remuneration policy annually based on recommendations from the Remuneration Committee.

The policy can be accessed through the Company website: [www.global-riskmanagement.com/policies-legal/Pay](http://www.global-riskmanagement.com/policies-legal/Pay) and remuneration policy.

The Remuneration Committee convene semi-annually.

Remuneration to the Board of Directors and Executive Management is set out in note 5.

## Research & development activities

We have not initiated any significant and independent R&D projects or IT developments over the financial year 2022/23.

CHAIRMAN OF THE BOARD

**KENNETH STEENGAARD**

**Directorships**

Chairman of the Board at A/S Global Risk Management Ltd.  
Fondsmæglerselskab and A/S Global Risk Management FS Holding  
Chairman of the Board at Deck1 A/S

**Trusted partner**

Entrepreneur Hub

**Chief Executive Officer**

KS Consultancy ApS  
Kenneth Steengaard Holding ApS

# Board of directors



BOARD MEMBER

**NINA ØSTERGAARD BORRIS**

**Directorships**

Board member at A/S Global Risk Management Ltd.  
Fondsmæglerselskab and A/S Global Risk Management FS Holding  
Board member at A/S United Shipping & Trading Company, Bunker  
Holding A/S, Uni-Tankers A/S, Freja Group ApS and CM Biomass  
Partners A/S

Deputy chairman of the board at SDK FREJA A/S

Chairman of the board at Unit IT A/S

Member of the board at Middelfart Erhvervsråd

Member of the board at Kildehøj ApS

Member of the board at Entreprenør Marius Pedersen Fond

Member of Beiratsitzung Nord, Deutsche Bank

**Owner council**

A/S United Shipping & Trading Company

**Chief Executive Officer**

A/S United Shipping & Trading Company





BOARD MEMBER

## TINE LUNDEGAARD

### Directorships

Board member at A/S Global Risk Management Ltd. Fondsmæglerselskab and A/S Global Risk Management FS Holding

Board member at Gaia Invest

### Chief Commercial Officer

Qblue Balanced A/S



BOARD MEMBER

## MICHAEL KRABBE

### Directorships

Board Member at A/S Global Risk Management Ltd. Fondsmæglerselskab, A/S Global Risk Management FS Holding and A/S Global Risk Management Ltd. Holding

Board Member at A/S Dan-Bunkering Ltd

Advisory Board member at Solitwork A/S

### Executive Officer

Bunker Holding A/S

Executive officer in 2 other companies within the USTC Group (United Shipping & Trading Company)



BOARD MEMBER

## ATA BÆRENTSEN

### Directorships

Board member at A/S Global Risk Management Ltd. Fondsmæglerselskab and A/S Global Risk Management FS Holding

Board member at Orkufelagið sp/f

Deputy chairman of the board at Magn p/f

### Chief Executive Officer

ESG Factory

# Executive management



## CHIEF EXECUTIVE OFFICER

### **PEDER D. MØLLER**

A/S Global Risk Management Ltd. Fondsmæglerselskab

A/S Global Risk Management Ltd. Holding

A/S Global Risk Management Ltd. FS Holding

#### **Directorships**

Board Member at A/S Global Risk Management Ltd. Holding

Board Member at Global Risk Management Pte. Ltd.

Board Member at Poul Schou A/S

Board member at Poul Schou Ejendomme

Board member at Logistikvej 9-11 A/S

Board member at Logistikvej 16-20 A/S

Board member at BNE A/S

Board member at Container-Trans af 6. December 1976 ApS

## CHIEF FINANCIAL OFFICER

### **JACOB NØRGAARD**

A/S Global Risk Management Ltd. Fondsmæglerselskab

A/S Global Risk Management Ltd. Holding

A/S Global Risk Management Ltd. FS Holding

## CHIEF COMMERCIAL OFFICER

### **MARTIN VORGOD**

A/S Global Risk Management Ltd. Fondsmæglerselskab

A/S Global Risk Management Ltd. Holding

A/S Global Risk Management Ltd. FS Holding



Martin Vorgod, Peder D. Møller, and Jacob Nørgaard in front of the GRM headquarters in Middlefart, Denmark

# Financial Statements

## Income statement and statement of comprehensive income

USD '000	Note	2022/23	2021/22
Interest income	2	2,266	943
Interest expenses	3	-2,525	-1,946
<b>Net interest income</b>		<b>-259</b>	-1,003
Dividend on equities etc.		801	0
Net trading income	4	26,756	13,988
Staff and administrative expenses	5	-7,345	-5,815
Impairment of receivables	6	-30	0
Provision for loss	6	0	-2,801
<b>Result before tax</b>		<b>19,924</b>	4,369
Corporation tax	7	-4,634	-882
<b>Net result</b>		<b>15,290</b>	3,487
<b>Other comprehensive income</b>			
Net result		15,290	3,487
<b>Total comprehensive income</b>		<b>15,290</b>	3,487
<b>Proposed distribution of profit</b>			
Proposed dividend payout		0	0
Retained earnings		15,290	3,487

## Balance Sheet

30 April

### Assets

USD '000	Note	2022/23	2021/22
Receivables with credit institutes	8	25,078	199,878
Lending and other receivables at amortized cost	9	0	96
Derivatives and financial instruments	10	67,030	72,987
Equities etc.	11	28,801	0
Current Tax assets	7	0	169
Other assets		114	0
Prepayments		120	109
<b>Total assets</b>		<b>121,143</b>	<b>273,239</b>

### Liabilities and equity

USD '000	Note	2022/23	2021/22
<b>Liabilities</b>			
Deposits and other debt	12	180	0
Current tax liabilities	7	4,644	0
Derivatives and financial instruments	10	59,813	226,175
Other liabilities		1,745	1,593
<b>Total debt</b>		<b>66,382</b>	<b>227,768</b>
<b>Equity</b>			
Share capital	13	1,001	1,001
Share premium		28,403	28,403
Retained earnings		25,357	10,067
Proposed dividend		0	6,000
<b>Total equity</b>		<b>54,761</b>	<b>45,471</b>
<b>Total liabilities and equity</b>		<b>121,143</b>	<b>273,239</b>

Financial risk	14
Security and contingent liabilities	15
Related parties	16
Fee to auditors appointed at general meeting	17
Accounting policies	18

**Statement of changes in equity**

USD '000	Share capital	Capital premium	Retained earnings	Proposed dividend	Total
<b>2022/23</b>					
Equity at 1 May	1,001	28,403	10,067	6,000	45,471
Net profit for the year	0	0	15,290	0	15,290
Paid dividend	0	0	0	-6,000	-6,000
<b>Equity at 30 April</b>	<b>1,001</b>	<b>28,403</b>	<b>25,357</b>	<b>0</b>	<b>54,761</b>
<b>2021/22</b>					
Equity at 1 May	1,001	28,403	12,581	0	41,985
Net profit for the year	0	0	3,486	0	3,486
Planned extraordinary dividend	0	0	-6,000	6,000	0
<b>Equity at 30 April</b>	<b>1,001</b>	<b>28,403</b>	<b>10,067</b>	<b>6,000</b>	<b>45,471</b>

An aerial photograph of a rugged, rocky landscape. A paved road runs diagonally across the upper portion of the image. Below the road, a rocky streambed with scattered boulders is visible. In the lower portion, a railway track runs parallel to the road. The entire scene is overlaid with a large, semi-transparent green shape that resembles a stylized letter 'N'.

# Notes

32	1. Financial highlights of the company
33	2. Interest income
33	3. Interest expenses
33	4. Net trading income
34	5. Staff and administrative expenses
36	6. Impairment of receivables and provision for loss
36	7. Corporation tax
37	8. Receivables from credit institutes
37	9. Lending and other receivables at amortized cost
38	10. Derivatives and financial instruments
39	11. Equities etc.
40	12. Deposits and other debt
40	13. Equity
40	14. Financial risk
44	15. Security and contingent liabilities
44	16. Related parties and ownership
45	17. Fee to auditors appointed at the Annual General Meeting
46	18. Accounting policies

## 1 Financial highlights of the company

USD '000	2022/23	2021/22	2020/21	2019/20	2018/19
Net interest income	-259	-1,003	-1,111	-829	3
Net trading income	26,756	13,988	5,417	18,701	15,460
Staff and administration expenses	-7,345	-5,815	-6,388	-6,534	-5,254
Net result	15,290	3,487	-7,929	8,912	6,968
Equity	54,761	45,471	41,985	46,914	41,501
Total assets	121,143	273,239	138,146	211,754	145,237
Own funds	54,761	39,471	41,985	43,414	41,501
Transitional requirement (T EUR 1,500) (EUR/USD 112.18)	1,647	1,581	-	-	-
Minimum capital requirement (K-factor requirement)	19,434	17,816	13,771	16,254	14,230
Total risk exposure amount	242,927	222,703	172,142	203,170	177,874

### Financial ratios

Own funds as a percentage of K-factor capital requirements	281.8%	221.5%	304.9%	267.1%	291.6%
Solvency ratio	22.5%	17.7%	24.4%	21.4%	23.3%
Tier 1 capital ratio	22.5%	17.7%	24.4%	21.4%	23.3%
Return on equity before tax	39.8%	9.6%	-23.3%	29.8%	23.3%
Return on equity after tax	30.5%	7.6%	-17.8%	20.2%	18.3%
Income/cost ratio	364.3%	240.6%	84.8%	286.2%	294.3%
Return on assets	12.6%	1.3%	-5.7%	4.2%	4.8%

### Solvency

Transitional capital requirement, (T EUR 1,500)	1,647	1,581	-	-	-
Own funds as a percentage of transitional requirement	3,325%	2,396%	-	-	-
Initial capital requirement, (T EUR 750) (EUR/USD 112.18)	824	791	882	794	818
Own funds as a percentage of initial capital	6,649%	4,993%	4,760%	4,971%	4,822%
25 % of preceding year's expenses	1,836	1,454	1,597	1,633	1,313
Own funds as a percentage of 25% of preceding years' experience	2,982%	2,715%	2,629%	2,659%	3,160%
Minimum capital requirement (K-factor - and CRR requirement)	19,434	17,816	13,771	16,254	14,230
Own funds as a percentage of minimum capital requirements	281.8%	221.5%	304.9%	267.1%	291.6%

The financial ratios are in accordance with the guidelines of the Danish Financial Authority, Finanstilsynet. From 2018 - April 2021 the minimum capital requirement was calculated according to the Capital Requirement Regulation (CRR). From June 2022 the new capital requirement regulation for Investment Firms are complied to. GRM is subject to a transitional requirement of 1,500 T EUR until 26 June 2026. From 26 June 2026 GRM will be subject to the K-factor minimum capital requirement.

## 2 Interest income

USD '000	2022/23	2021/22
Receivables with credit institutes	1,368	52
Lending and other receivables	898	892
<b>Total interest income</b>	<b>2,266</b>	943

## 3 Interest expenses

USD '000	2022/23	2021/22
Credit institutions	-37	-178
Loan and other debt	-1,788	-874
Other interest expenses	-700	-894
<b>Total interest expense</b>	<b>-2,525</b>	-1,946

## 4 Net trading income

USD '000	2022/23	2021/22
Currency, interest rate, commodity and other contracts and other derivatives	26,756	13,988
<b>Total net trading income</b>	<b>26,756</b>	13,988

USD '000	Aviation	Industry	Shipping	Supplier	Profit in USD
<b>2022/23</b>					
Americas	0	0	1,189	18	1,207
Asia Pacific	0	0	167	319	486
Europe	560	1,309	8,872	5,979	16,721
Middle East	125	9	0	878	1,011
Scandinavia	521	1,515	2,145	3,150	7,331
<b>Total</b>	<b>1,206</b>	<b>2,833</b>	<b>12,373</b>	<b>10,344</b>	<b>26,756</b>
<b>2021/22</b>					
Americas	0	0	248	9	257
Asia Pacific	0	0	169	64	233
Europe	30	1,053	3,715	5,227	10,026
Middle East	10	7	5	1,800	1,822
Scandinavia	50	25	523	1,052	1,650
<b>Total</b>	<b>89</b>	<b>1,086</b>	<b>5,063</b>	<b>8,152</b>	<b>13,988</b>

## 5 Staff and administrative expenses

USD '000	2022/23	2021/22
Wages and salaries	4,355	3,444
Pensions	215	216
Other social security expenses	0	1
<b>Total staff expenses</b>	<b>4,570</b>	3,661
Other administrative expenses	2,775	2,153
<b>Total staff and administrative expenses</b>	<b>7,345</b>	5,815
<b>Average number of employees</b>	<b>25</b>	21

A/S Global Risk Management Ltd. Fondsmæglerselskab and A/S Global Risk Management Ltd. Holding are joint employers of management and employees of A/S Global Risk Management Ltd. Fondsmæglerselskab. The average number of employees is adjusted to reflect the current distribution of resources and time between the two companies.

### Remuneration

USD '000	2022/23	2021/22
<b>Remuneration of Board of Directors</b>		
Fixed	143	132
thereof pension	0	0
Variable	0	0
<b>Remuneration of Executive Management</b>		
Fixed	1,582	1,156
thereof pension	115	65
Variable	140	0
<b>Remuneration of other significant risk-takers</b>		
Fixed	0	0
thereof pension	0	0
Variable	0	0
Number of Board Members	5	4
Number of Executive Management members	3	3
Number of other risk takers	0	0

### Information regarding incentive programs

The Chairman of the Board has approved an incentive program for the executive management. The value of the incentive program is dependent on the company's financial performance (EBT), and individual KPIs for the individual executive officer. The value of the incentive program for the year 2022/23 constitutes the number listed under variable remuneration for the executive management. The Board of Directors is not included in the incentive program.

Remuneration to the Board of Director's, Executive Management and other significant risk takers are available on the company's [homepage](#).



## 6 Impairment of receivables and provision for loss

USD '000	2022/23	2021/22
Balance for impairments and provision for losses, beginning of period	0	0
Provisions for loss this period, net	30	1,767
Impairments and losses	0	-1,767
<b>Balance for impairments and provision for losses, end of period</b>	<b>30</b>	<b>0</b>
Losses incurred with provisions this year	30	1,767
Losses incurred without precedent provisions	0	1,034
<b>Impairments, provisions and losses recognised in the income statement</b>	<b>30</b>	<b>2,801</b>

## 7 Corporation tax

USD '000	2022/23	2021/22
<b>Tax calculation</b>		
Tax on result before tax	4,383	961
Tax on non-tax items	20	4
Adjustment of tax previous year	-5	0
Tax due to currency translation	236	-83
<b>Total corporation tax</b>	<b>4,634</b>	<b>882</b>
<b>Danish branch specification of corporation tax base</b>		
Result before tax	19,925	4,369
Adjustment for non-tax items	93	18
<b>Taxable income</b>	<b>20,016</b>	<b>4,387</b>
<b>Adjustment of taxable income due to currency</b>		
Translation DKK/USD	1,068	-377
Actual base for tax calculation	21,084	4,010
<b>Actual tax rate</b>	<b>22%</b>	<b>22%</b>
<b>Tax calculation</b>		
Tax on result before tax	4,383	961
Tax on non-tax items	20	4
Adjustment of tax previous years	-5	0
Tax due to currency translation	236	-83
<b>Total corporation tax</b>	<b>4,634</b>	<b>882</b>

## 7 Corporation tax (continued)

USD '000	2022/23	2021/22
<b>Effective tax percentage</b>		
Actual tax rate	22,0%	22,0%
Adjustment for non-tax items	0,1%	0,1%
Adjustment for currency translation DKK/USD	1,2%	-1,9%
<b>Total effective tax percentage Danish branch</b>	<b>23,3%</b>	20,2%

## 8 Receivables from credit institutes

USD '000	2022/23	2021/22
Deposits with payment on demand	25,078	199,878
<b>Total receivables from credit institutes</b>	<b>25,078</b>	199,878

## 9 Lending and other receivables at amortized cost

USD '000	2022/23	2021/22
Receivables at amortized costs with payment on demand	0	96
<b>Total lending and other receivables at amortized cost</b>	<b>0</b>	96

## 10 Derivatives and financial instruments

USD '000	2022/23 Assets	2022/23 Liabilities	2021/22 Assets	2021/22 Liabilities
<b>Oil and currency</b>				
Commodity swaps	167,508	-155,750	671,208	-692,697
Commodity futures	74,656	-74,234	72,266	-70,570
Commodity options	2,728	-2,949	2,886	-1,792
Forward foreign exchange contracts	146	-314	15,525	-4,120
Settled financial instruments	11,339	-9,557	60,936	-43,501
Portfolio adjustment	-5,651	0	-6,895	0
	<b>250,726</b>	<b>-242,805</b>	815,926	-812,680
<b>Balances qualifying for offsetting</b>				
Commodity swaps, -futures and -options	-126,607	126,607	-512,150	512,150
	<b>124,119</b>	<b>-116,197</b>	303,776	-300,080
Margin deposits	-57,088	56,384	-230,789	73,905
<b>Amounts presented in the balance sheet</b>	<b>67,030</b>	<b>-59,813</b>	72,987	-226,175

Global Risk Management Ltd. Fondsmæglerselskab has master netting agreements with all clients and counterparties and obtains and provides collateral above agreed credit limits.

### Net exposure in case of default

The net exposure in case of default is reduced by guarantees issued by counterparties and counterparty parent companies.

USD '000	2022/23 Assets	2022/23 Liabilities	2021/22 Assets	2021/22 Liabilities
Amounts presented in the balance sheet	67,030	-59,813	72,987	-226,175
Amounts with right of set-off	-15,207	-10,067	-14,647	21,539
Balance amounts covered by guarantees	-14,477	0	-5,223	0
<b>Net exposure in case of default</b>	<b>37,346</b>	<b>-69,881</b>	<b>53,117</b>	<b>-204,637</b>

**Fair value hierarchy**

USD '000	Level 1	Level 2	Level 3	Total
<b>2022/23</b>				
<b>Financial assets</b>				
Derivatives	74,656	170,382	0	<b>245,038</b>
Investment fund	28,801	0	0	<b>28,801</b>
<b>Total</b>	<b>103,457</b>	<b>170,382</b>	<b>0</b>	<b>273,839</b>
<b>Financial liabilities</b>				
Derivatives	-74,234	-159,013	0	<b>-233,248</b>
<b>Total</b>	<b>-74,234</b>	<b>-159,013</b>	<b>0</b>	<b>-233,248</b>
<b>2021/22</b>				
<b>Financial assets</b>				
Derivatives	72,265	689,619	0	761,884
<b>Total</b>	<b>72,265</b>	<b>689,619</b>	<b>0</b>	<b>761,884</b>
<b>Financial liabilities</b>				
Derivatives	-70,566	-698,613	0	-769,179
<b>Total</b>	<b>-70,566</b>	<b>-698,613</b>	<b>0</b>	<b>-769,179</b>

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

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

**Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). To a large extent, level 2 is based on observable quoted prices. However, in some instances, forward prices are not observable. In these situations, the most liquid forward curves are used, and a spread to the specific location is derived. For options, theoretical pricing models with implied volatilities from Ice (option smile) are used to calculate market prices. These valuation techniques maximise the use of observable market data where it is available and relies as little as possible on entity-specific estimates. If all significant inputs required to calculate the fair value of an instrument are observable, the instrument is included in Level 2;

**Level 3** – Inputs for the asset or liability that are primarily based on unobservable market data.

**11 Equities etc.**

USD '000	2022/23	2021/22
Investment fund - Money Market instruments	28,801	0
<b>Total</b>	<b>28,801</b>	<b>0</b>

## 12 Deposits and other debt

USD '000	2022/23	2021/22
Overdraft facility	180	0
<b>Total deposits and other debt</b>	<b>180</b>	<b>0</b>

## 13 Equity

The share capital consists of 8,581 shares of EUR 100.

The share capital was translated at historical weighted average price USD/EUR of 116,63, equal to USD 1.000.622.

## 14 Financial risk

### Counterparty risk

GRM is exposed to counterparty risk in the sense that if a client (or financial counterparty) defaults, then GRM cannot expect to receive payment on any positive market value that might be in favour of GRM as of the time of default. In the same way, GRM is exposed if a bank holding our deposits defaults.

In order to manage the counterparty risk, the credit risk policy issues limitations on large exposures, concentration risk and the desired credit quality of counterparties. The

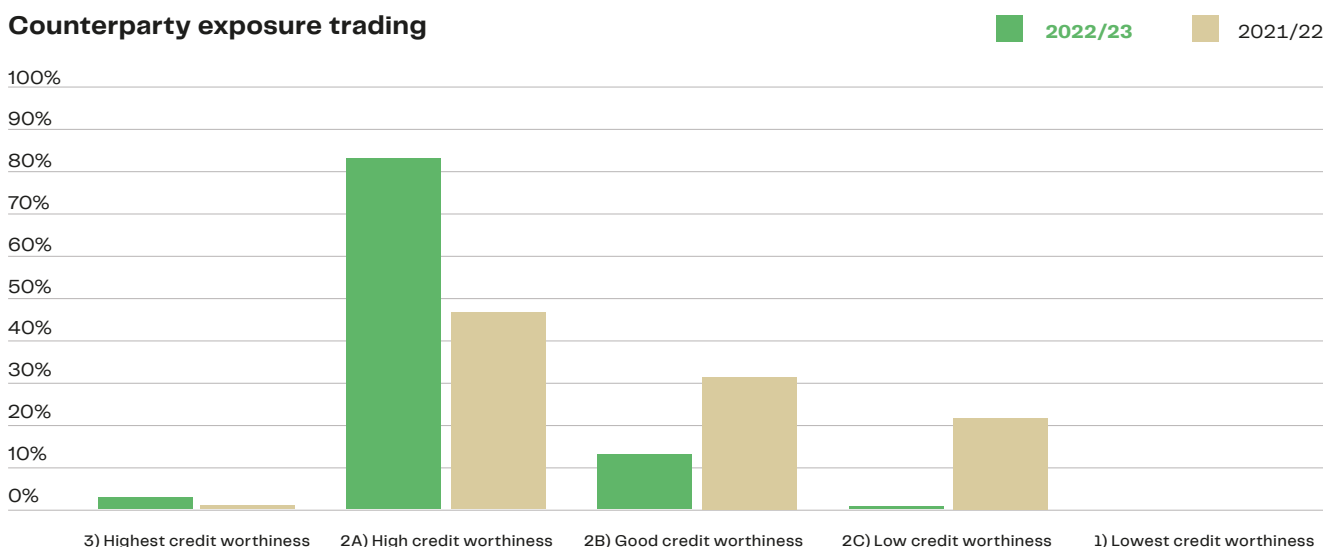
Board of Directors has adopted a credit risk policy, including a list of banks with which GRM can deposit funds. An individual limit for the total deposit per bank is also set to ensure a diversified placement of the funds.

As the market value of the derivatives traded can quickly change, trading is based on ISDA or ISDA equivalent master agreements and credit support annex (CSA). Any variation in terms affecting netting or the ability to collect collateral through credit support annexe is reviewed and decided by

the Board of Directors. When market values exceed the agreed limits, cash collateral is immediately exchanged between the parties, thus ensuring that the exposure is kept within the agreed limits. If collateral is not delivered timely, positions can be terminated to prevent further negative development in the market values and the exposure between the parties.

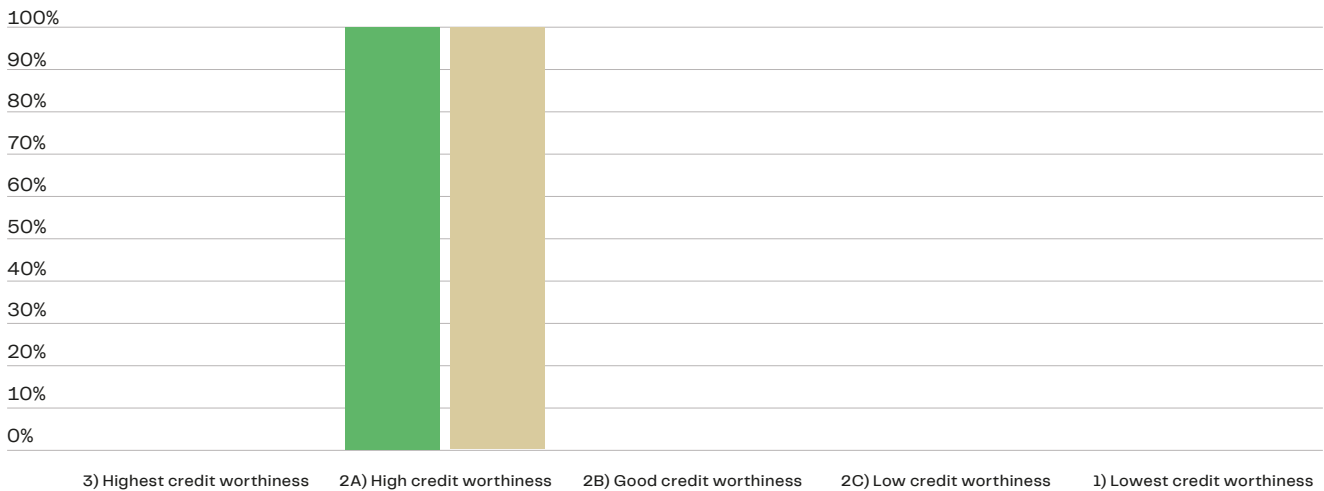
To ensure alignment with the credit policy, formal and stringent rating and credit approval procedures are in place, and monitoring and reporting of

### Counterparty exposure trading



### Counterparty exposure deposit

■ 2022/23 ■ 2021/22



the counterparty risk are continuously available for the executive management team. The risk mandate to accept credit exposure lies solely with the executive management team and the Board of Directors.

GRM is conducting rating assessments of the clients in alignment with the rating guidelines from the Danish Financial Supervisory Authority.

The counterparty risk per rating class as of 30 April 2023 is shown in the graph (page 40). It displays that trading lines and tenors are matched with the credit quality ensuring that the exposure is mainly with the most creditworthy segments.

When comparing the distribution of risk to the previous financial year, an increase towards higher creditworthiness segments is displayed. The overall payment performance and ongoing collateralisation of exposures exceeding the agreed CSAs have been satisfactory throughout the year.

Deposits are primarily held with reputable banks with a SIFI classification and investment-grade quality. In addition to bank deposits, GRM can place excess liquidity into a high credit-rated Money Market Fund to diversify the counterparty risk.

There has been no change in the

deposit banks used, and they are all rated with the highest creditworthiness.

Counterparty risk (on deposited funds) per rating class as of 30 April 2023 is displayed in the graph on page 41.

### Market risk

#### Financial derivatives:

We can potentially be exposed to market risk from several sources. However, we generally have a very risk-averse attitude towards market risk due to the high volatility and notoriously unpredictable market movements in oil and oil-related commodities.

As a result, we enter into opposite hedging transactions to mitigate the risks acquired from the transactions made with clients.

#### Currency risk:

We are exposed to currency risk by operating costs not all being in USD and from derivative trades quoted to clients in non-USD currency.

Currency risk is continuously monitored in the same way as market risk stemming from financial commodity derivatives and is continuously hedged.

For quantification of the position risk and basis risk, we use statistically-based VaR models. The Board of

Directors has issued clear mandates to management regarding the acceptable level of market risk.

#### Interest rate risk:

The interest rate exposure stems from committed loan facilities, from the trading lines setup with financial counterparties and from client collateral on which we are obligated to pay interest.

The interest rate risk is assessed in accordance with the standard method as described by the Danish Financial Supervisory Authority and reported to the Board of Directors.

### Liquidity risk

Our business model is based on hedging derivative positions sold to clients back-to-back. If the trading terms regarding collateral and settlement are also identical between the client trade and the hedge transaction, then no liquidity risk of considerable size will exist as the potential need to post collateral on the one side due to negative market values will be set off by the ability to demand collateral from the other side due to positive market values.

Our credit terms towards clients on the one side and financial counterparties on the other are not identical, which exposes us to liquidity risk.

## 14 Financial risk (continued)

We are currently exempt from Capital Requirements Regulation (CRR) until 26 June 2026 according to the Investment Firm Regulation (IFR) article 57. However, the Board of Directors has decided to adopt the CRR requirements regarding funding and liquidity risk (NSFR and LCR) into our liquidity risk policy.

The risk appetite has been determined at:

- LCR minimum of 150 %
- NSFR minimum of 150 %

### Operational risk

We are continuously working to reduce operational risk by introducing automated controls and improving system design, procedures and reporting.

In general, the residual operational risk that remains after considering the reducing effects of preventive measures is viewed as small. Mitigation efforts include, whenever possible, automated monitoring of known risks. Operational incidents with the potential of causing a loss are registered and reported to the responsible manager. If the potential loss exceeds the mandate given by the Board of Directors, the incident is reported to the board for assessment and decision with regard to further preventive actions.

### Risk governance and reporting

The Board of Directors is responsible for the governance structure. The governance structure is described through several policies, the most essential of which are set out below. The policies and supporting procedures make the Board's risk appetite operational:

- Credit risk policy
- Market risk policy
- Liquidity risk policy
- Capital policies
- Operational risk policy
- Policy for preventing money laundering and terrorist financing

In these policies, the principles for managing the risks are clearly stated, and we have implemented reporting, which ensures that all the principles stated in the policies are monitored and controlled.

The results of the monitoring activities are reported back to the Board of Directors on a regular basis. The reporting is conducted by the second line function risk management, which is independent of the first-line operation.

Reporting on limits is presented to management several times throughout the day and is available live on an ad hoc basis.

If a breach of risk appetite is detected, the CFO must report to the Board of Directors. Furthermore, if we cannot remain compliant, the Head of Compliance must report to management and the Board of Directors.



## 15 Security and contingent liabilities

USD '000	2022/23	2021/22
Contractual obligations		
No later than one year	241	241
Later than one year but no later than 5 years	0	0
Later than 5 years	0	0
<b>Total contractual obligations</b>	<b>241</b>	<b>241</b>
Hereof Group enterprises	241	241

The Danish group enterprises are jointly and severally liable for tax on the consolidated jointly taxed income etc. The total corporation tax payable is shown in the Annual Report of SelfGenerations T ApS, the joint taxation management company. The

Danish group enterprises are, moreover, jointly and severally liable for Danish withholding taxes. Any subsequent tax adjustments and withholding taxes may imply the company is liable for a higher amount.

It is assessed as highly unlikely that a present obligation will arise and result in an outflow of economic resources from the company.

## 16 Related parties and ownership

Global Risk Management Investment Firm (GRM FS) is included in the Consolidated Financial Statements of A/S United Shipping and Trading Company (USTC). USTC is incorporated in Denmark.

The following shareholders are recorded in GRM's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

- A/S Global Risk Management Ltd. Fondsmæglerslskab Holding, Strandvejen 7, DK-5500 Middelfart

In this financial year, GRM FS had transactions with the following related corporations:

- A/S Global Risk Management Ltd. Holding
- Bunker Holding A/S
- Board of Directors and Executive Management

Transactions with A/S Global Risk Management Ltd. Holding comprise:

- Resource-sharing agreements on the lease of office space, communication, equipment, IT systems and other administration expenses
- Transactions in oil and fuel-based derivatives for hedging purposes
- Interest rate on margin deposits.

Transactions with Bunker Holding A/S comprise:

- Service level agreements for parent company and treasury services

Resource-sharing agreements are settled on a cost-level basis. Derivatives transactions are settled on market terms.

Transactions with the Board of Directors and Executive Management comprise:

- Remuneration

## 16 Related parties and ownership (continued)

USD '000	Other related parties 2022/23	Parent company 2022/23*	Other related parties 2021/22	Parent company 2021/22
Financial income	599	395	0	843
Financial expenses	-1,324	-304	0	-949
Net trading income**	22,510	0	124,570	0
Staff and administrative expenses	-5,907	-80	-4,364	-482
<b>Total related parties transactions</b>	<b>15,879</b>	<b>10</b>	120,206	-589

\* Parent company 1/5-22 - 25/7-22 is Bunker Holding. From 26/7-22 parent company is A/S Global Risk Management Ltd. FS Holding

\*\*Amounts presented in the net trading income above represent the value of realised hedge trades with the related parties.

### Amounts outstanding with related parties are included in the balance as follows:

USD '000	Other related parties 2022/23	Parent company 2022/23	Other related parties 2021/22	Parent company 2021/22
Derivatives and financial instruments	7,216	0	36,613	0
Deposits and other debt	-858	0	-445	-47
<b>Total amounts outstanding</b>	<b>6,358</b>	<b>0</b>	36,168	-47
Margin call issued on the basis of the exposure 29 April	7,377		18,000	

## 17 Fee to auditors appointed at the Annual General Meeting

Fee to auditors appointed at the Annual General Meeting is stated in the Annual Report of A/S United Shipping and Trading Company.

## 18 Accounting policies

### Basis of preparation

The Annual Report of A/S Global Risk Management Ltd. Fondsmæglerselskab has been prepared in accordance with the Danish Investment Service Act and the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies.

Apart from the above accounting policies, we have chosen to insert derivatives and financial instruments as a balance sheet item in assets and liabilities comprising trade-related balance items subject to netting and offsetting.

The expected loss model for financial assets measured at amortised cost has been implemented. A similar approach is taken for derivatives measured at fair value if the credit risk has increased significantly.

The Annual Report for 2022/23 is presented in USD thousands.

### Recognition and measurement

Value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised in the income statement. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

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

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

Financial assets and liabilities are initially measured at fair value. Other

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

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

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

Risks and uncertainties associated with the value assessment and recognition thereof are described in Management's Review. USD is used as the functional currency. All other currencies are regarded as foreign currencies.

### Uncertainties related to recognition and measurement

Uncertainties are related to the measurement of expected losses with counterparties and derivatives. GRM assesses that the uncertainties are not material. Please refer to note 14 concerning counterparty risks. For derivatives, please refer to the separate section in management's review.

### Foreign currency translation

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the

transaction date rates and the rates at the payment dates are recognised in financial income and expenses in the income statement.

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

### Derivatives and financial instruments

Derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently remeasured at their fair values. Any difference between the transaction price and fair value determined when applying a valuation model, which is not solely based on observable market data, is deferred and recognised over the contract term. Derivative financial assets and liabilities and related collateral payable and receivable are presented net if the company has both a current legally enforceable right to set off the recognised amounts and intends to settle net. Net amounts of positive and negative fair values of derivative financial instruments are presented in separate line items in the balance sheet.

Fair value of OTC oil derivative contracts is determined based on generally applied forward and option pricing models. Inputs to the models are, to the extent possible, determined based on observable prices for the underlying products. For contracts where the most significant input is unobservable, management estimates the input based on recent transactions, transactions with similar products etc.

Changes in the fair values of derivative financial instruments are recognised

in the income statement. Credit value adjustment (CVA) and funding value adjustment (FVA) are made as an adjustment to derivatives and financial instruments and are deducted from the asset side.

The contracts entered into as of 30 April 2023 comprise commodity derivatives and currency forwards for the purpose of hedging trades with clients.

Derivatives and financial instruments are netted end offset fair value of unrealised traded instruments, receivables and payables from settled financial instruments and exchanged collateral and are included.

Equities etc. are initially recognised in the balance sheet at fair value and are subsequently remeasured at their fair values. Changes in fair values on equities etc. are recognised in the income statement dividend on equities etc.

## Income statement

### Net trading income

Net trading income includes fair value gains and losses net related to commodity derivatives.

### Staff and administrative expenses

Staff expenses comprise wages and salaries, as well as payroll expenses. Administrative expenses include expenses for sales, administration, as well as the running of office facilities, etc.

### Losses on debtors

Derivatives and financial instruments for which overdue amounts arise and the credit risk is deemed to have increased significantly are subject to evaluation for early termination and impairment calculation for expected credit losses.

### Interest income and expenses

Interest income and expenses comprise interest, financial expenses related to guarantees and committed facilities,

realised and unrealised exchange adjustments, price adjustment of securities, as well as extra payment and repayment under the on-account taxation scheme.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year. The tax attributable to the profit for the year is recognised in the income statement.

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

## Balance sheet

### Receivables and payables with credit institutes

Receivables and payables with credit institutes are deposits and overdraft facilities with credit institutes that are initially recognised at fair value and subsequently measured at amortised cost.

### Prepayments

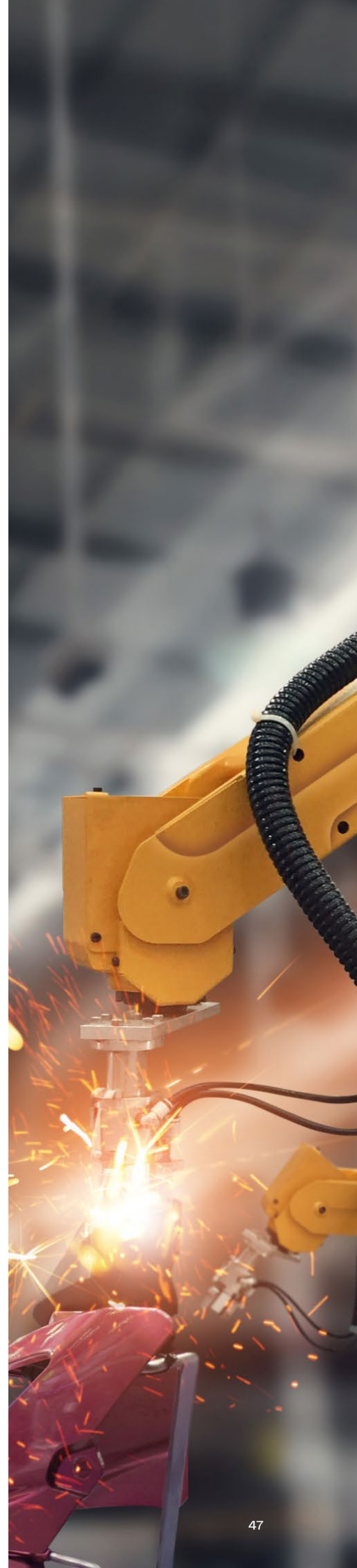
Prepayments comprise prepaid expenses paid in respect of expenses in subsequent years. Prepayments are measured at historical cost prices.

### Current tax liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated based on the expected taxable income for the year and adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

### Deposits and other debt

Deposits and other debt comprise fixed-loans are measured at amortised cost price.



## 18 Accounting policies (continued)

### Definition of financial ratios

Own funds as a percentage of minimum capital requirements	=	$\frac{\text{Own funds}}{\text{Minimum capital requirement}}$
Solvency ratio	=	$\frac{\text{Own funds}}{\text{Total risk exposure amount}}$
Tier 1 capital ratio	=	$\frac{\text{Tier 1 capital}}{\text{Total risk exposure amount}}$
Return on equity before tax	=	$\frac{\text{Result before tax}}{\text{Average Equity}}$
Return on equity after tax	=	$\frac{\text{Net result}}{\text{Average Equity}}$
Income/cost ratio	=	$\frac{\text{Operating income}}{\text{Operating expenses}}$
Rate of return	=	$\frac{\text{Net result}}{\text{Total equity}}$
Own funds as a percentage of initial capital requirement	=	$\frac{\text{Own funds}}{\text{Initial capital requirement}}$
Own funds as a percentage of 25 % of fixed expenses	=	$\frac{\text{Own funds}}{\text{25 \% of fixed expenses}}$



# Management's Statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of A/S Global Risk Management Ltd. Fondsmæglerselskab for the financial year 1 May 2022 - 30 April 2023.

The Annual Report has been prepared in accordance with the Danish Investment Service Act.

In our opinion, the Financial statements give a true and fair view of the financial position at 30 April 2023 of the company and of the results of the company's operations for 2022/23.

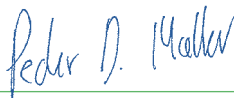
In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of GRM, of the results for the year and of the financial

position of the company, as well as a description of the most significant risks and elements of uncertainty facing the company.

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

Middelfart, 21 June 2023

## Executive Board



Peder D. Møller  
**Chief Executive Officer**



Jacob Nørgaard  
**Chief Financial Officer**



Martin Vorgod  
**Chief Commercial Officer**

## Board of Directors



Kenneth Steengaard  
**Chairman**



Nina Østergaard Borris



Tine Lundegaard



Ata Bærentsen



Michael Krabbe



# Independent auditor's report

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

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2022, and of the results of the Company's operations for the financial year 1 May 2022 - 30 April 2023 in accordance with the Danish Investment Services Act.

We have audited the Financial Statements of A/S Global Risk Management Ltd. Fondsmæglerselskab for the financial year 1 May 2022 - 30 April 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark,

and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on management's review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared

in accordance with the requirements of the Danish Investment Services Act. We did not identify any material misstatement in Management's Review.

## Management's responsibilities for the financial statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Investments Service Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate

the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive

to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. I

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

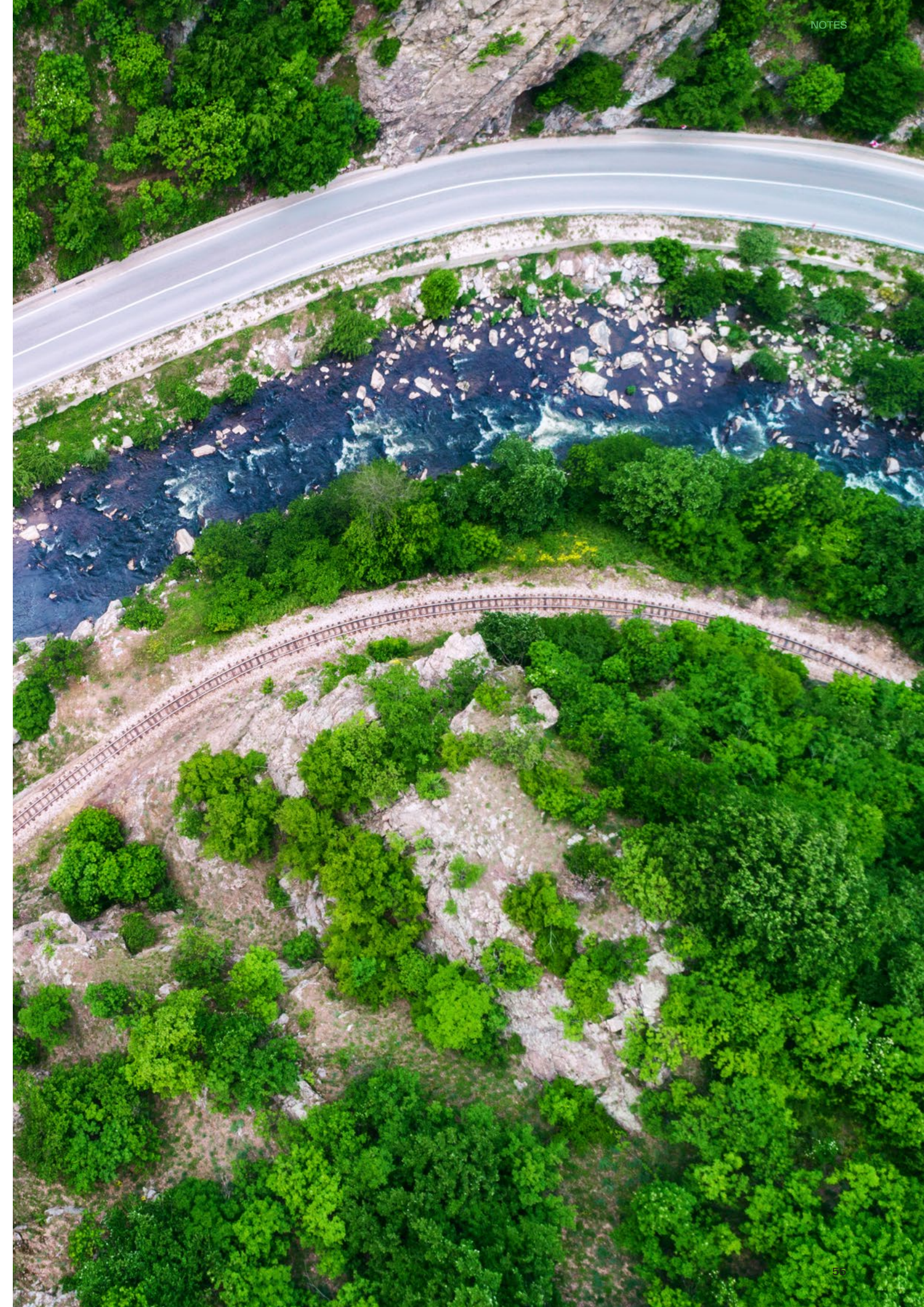
#### Trekantomraadet, 21 June 2023

PricewaterhouseCoopers  
Statsautoriseret  
Revisionspartnerselskab  
CVR No 33 77 12 31

#### Per Rolf Larsen

State Authorised Public Accountant  
mne24822







**A/S Global Risk  
Management Ltd.  
Fondsmæglerselskab**

Strandvejen 7  
DK-5500 Middelfart

Telephone: +45 8838 0000  
Facsimile: +45 8838 0009  
hedging@global-riskmanagement.com

VAT No: 39065606  
Company reg. no. 39065606  
FSA no. 8325

Financial year: 1 May - 30 April