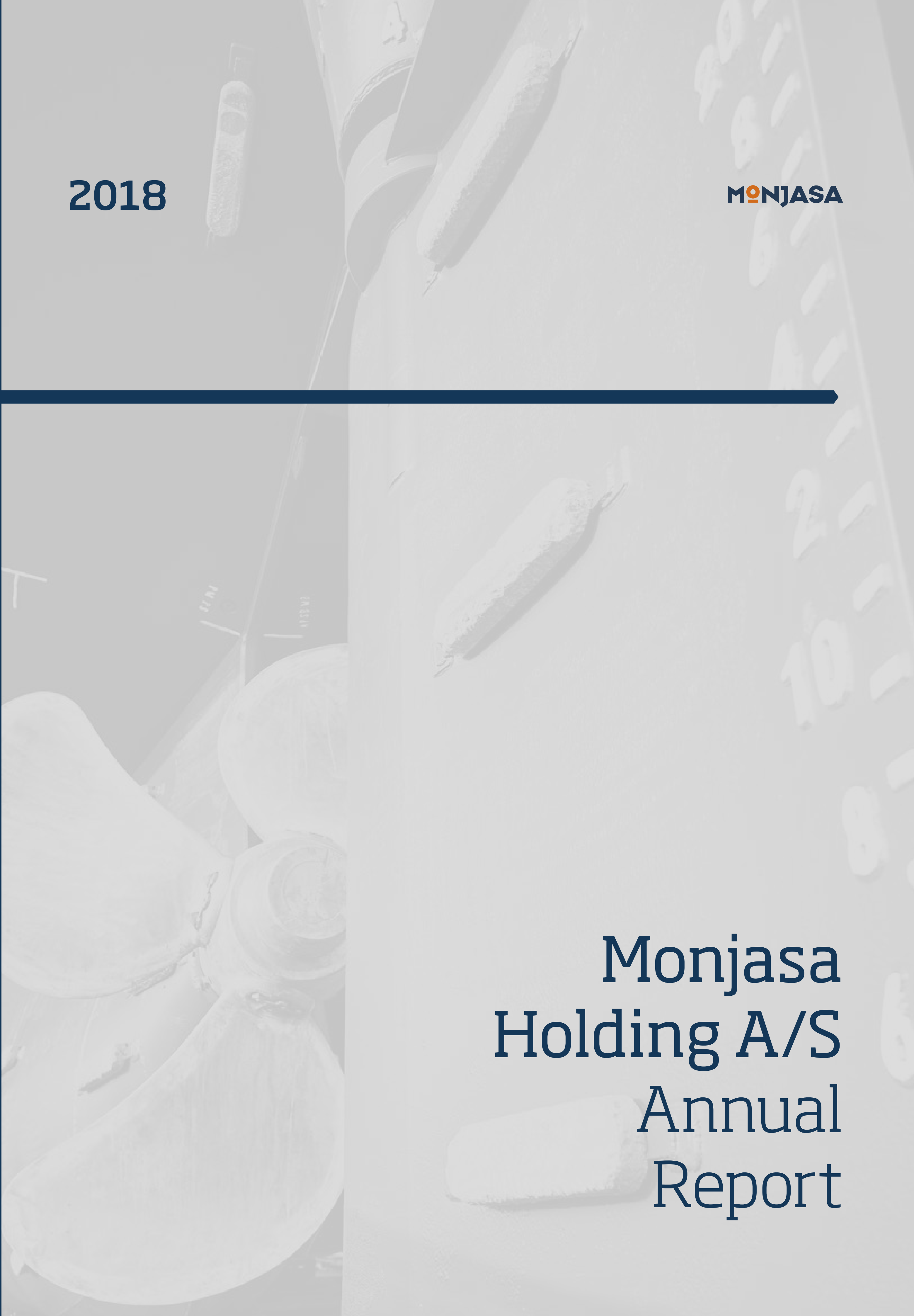


2018

MONJASA

Monjasa Holding A/S Annual Report

1 HIGHLIGHTS 2018 AT A GLANCE

2 MANAGEMENT'S STATEMENT AND AUDITOR'S REPORT

3 MANAGEMENT'S REVIEW

4 CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS

MONJASA HOLDING A/S

The Monjasa Group is a global partner in the oil and shipping industries. Our core business includes reselling and physical supply of marine fuels, oil terminal operations, and shipowning activities on a global level.

Other main Group entities include offshore service company C-bed and IT consultancy, RelateIT.

COMPANY INFORMATION

The Company
Monjasa Holding A/S
Strevelinsvej 34
DK-7000 Fredericia

T: +45 70 260 230
F: +45 70 260 233
E: holding@monjasa.com
W: www.monjasa.com

Central Business Registration
No: 33150709

Financial Period
1 January - 31 December

Municipality of Reg. Office
Fredericia

Board of Directors
Christian Merrild (Chairman)
Anders Østergaard
Tage Bundgaard
Flemming Ipsen

Executive Management
Anders Østergaard
Svend Stenberg Mølholt

Auditors
Deloitte
Statsautoriseret
Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Performance Overview

Highlights 2018 at a glance

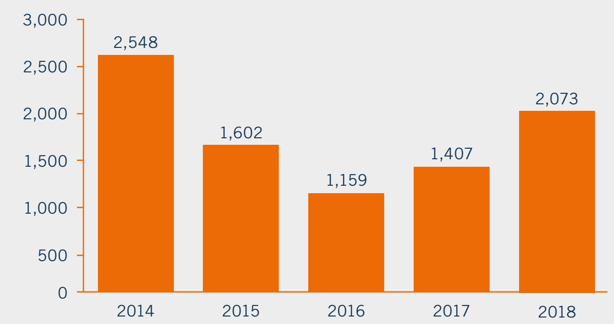
2018 was a good year for the Monjasa Group.

Total supply volume increased from 3.5m mts to 4.1m mts across our markets. In a continuously challenged global shipping environment, we consider this an important achievement. As such, it demonstrates that the provided service and products are valued and in demand.

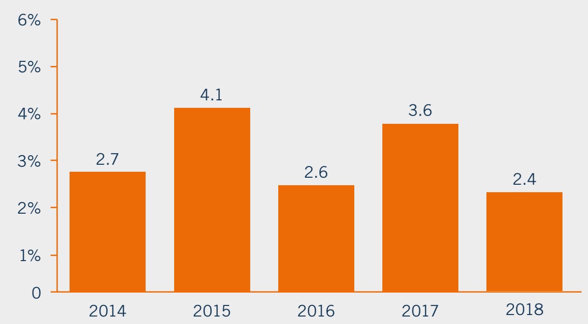
Total revenue grew from USD 1.4bn to USD 2.1bn due to the increased volume and a 31% increase in 2018 average Brent oil price levels reaching USD 71 (2017: USD 54).

Net profit of USD 5m was in line with expectations and as of 31 December 2018, the Group's consolidated equity amounts to USD 121m (2017: USD 124m).

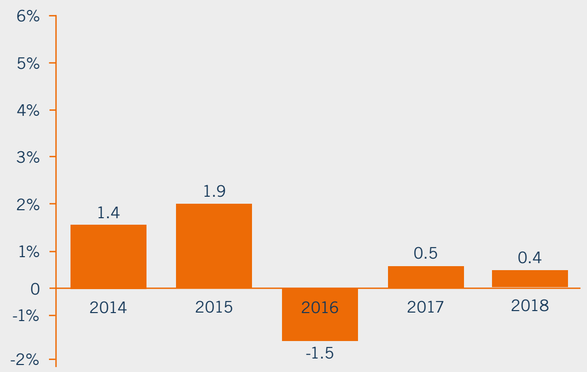
Revenue in USD Million



Gross Margin



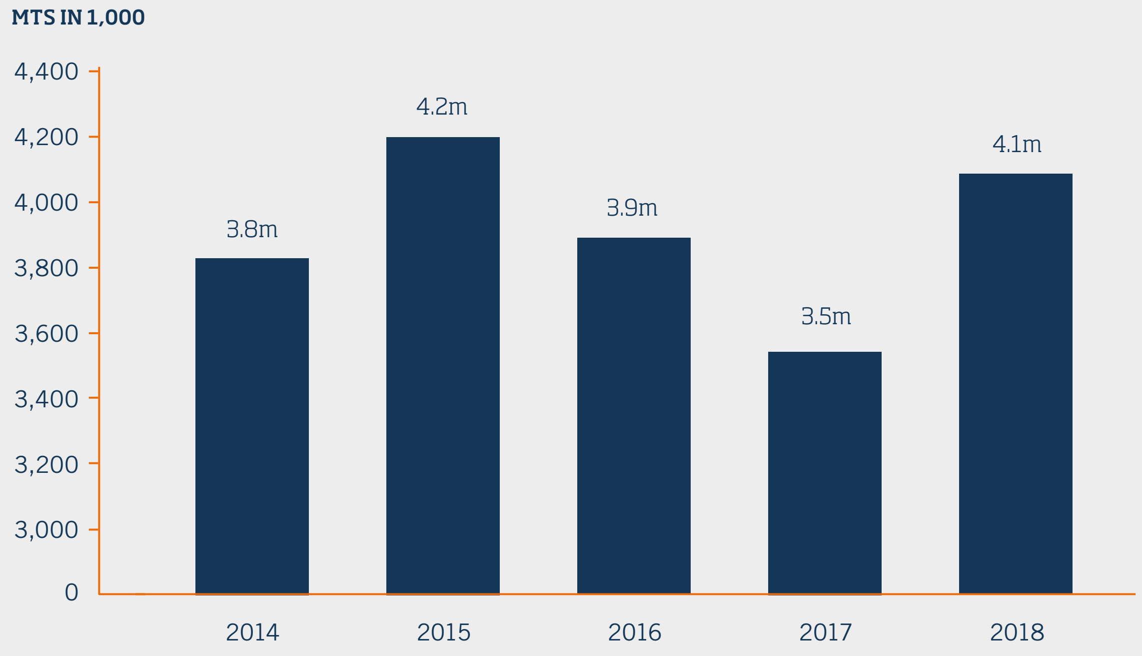
Profit Margin



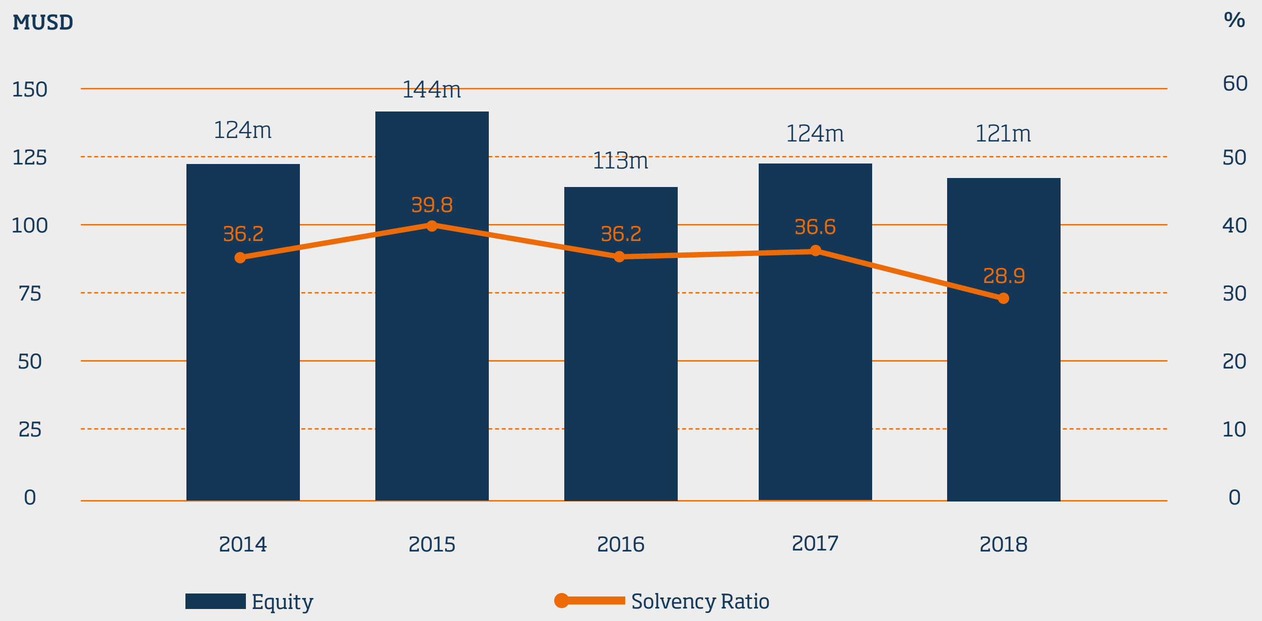
29%

Solvency ratio

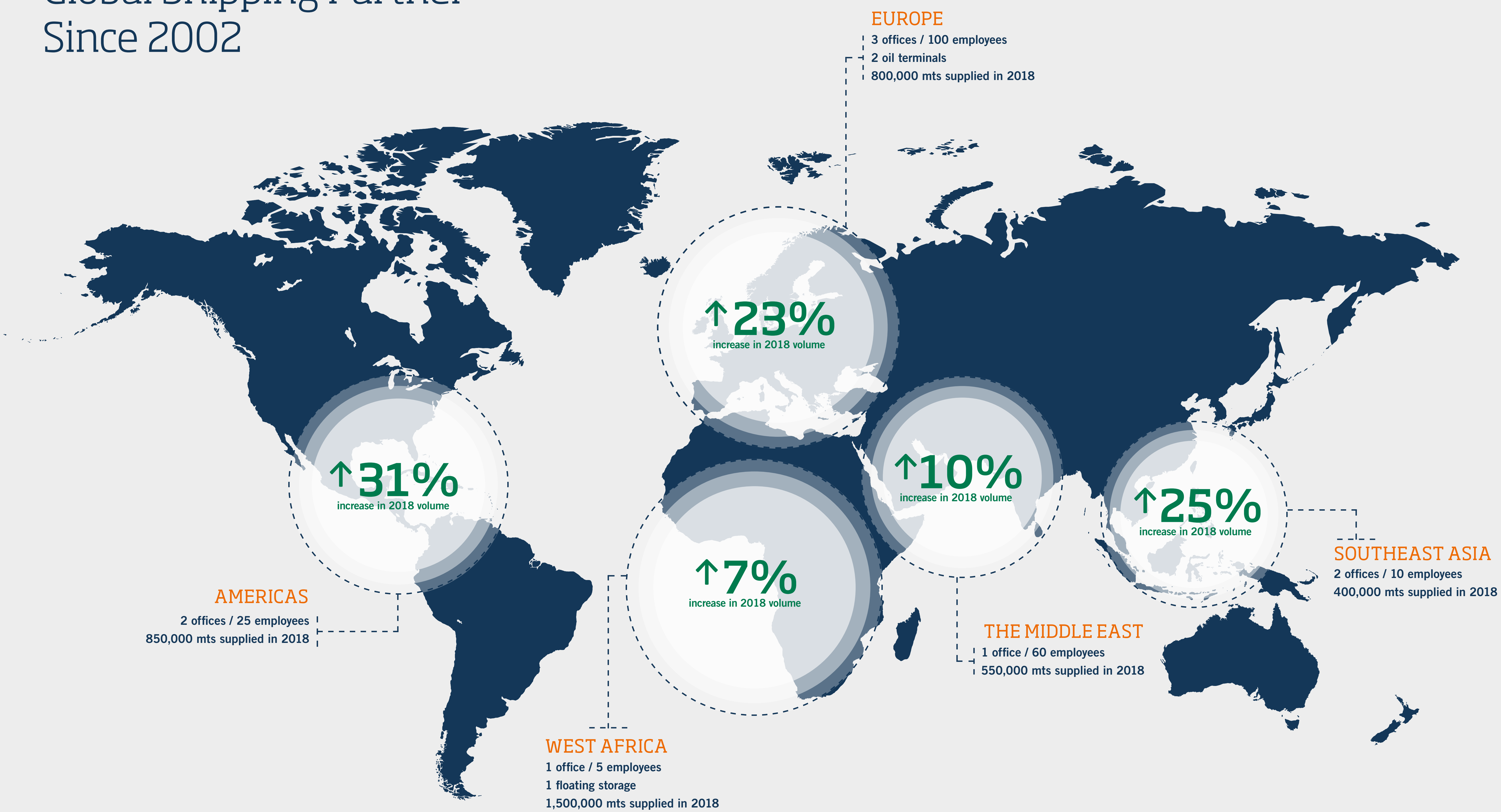
Total Volume Development



Group Equity and Solvency Ratio



Global Shipping Partner Since 2002



Customer Insights

12,918

total completed Customer Satisfaction Surveys across West Africa, Panama, the Middle East & Northwest Europe

+250

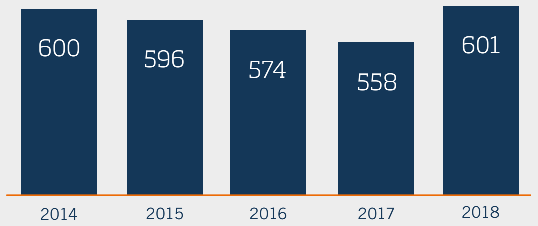
new customers in 2018

12,784

of those confirm satisfaction amongst our end customers

601

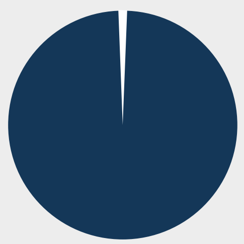
ports delivered in 2018



Compliance Training

Percentage of employees who completed Anti-Bribery and Anti-Corruption training in 2018

98.5%



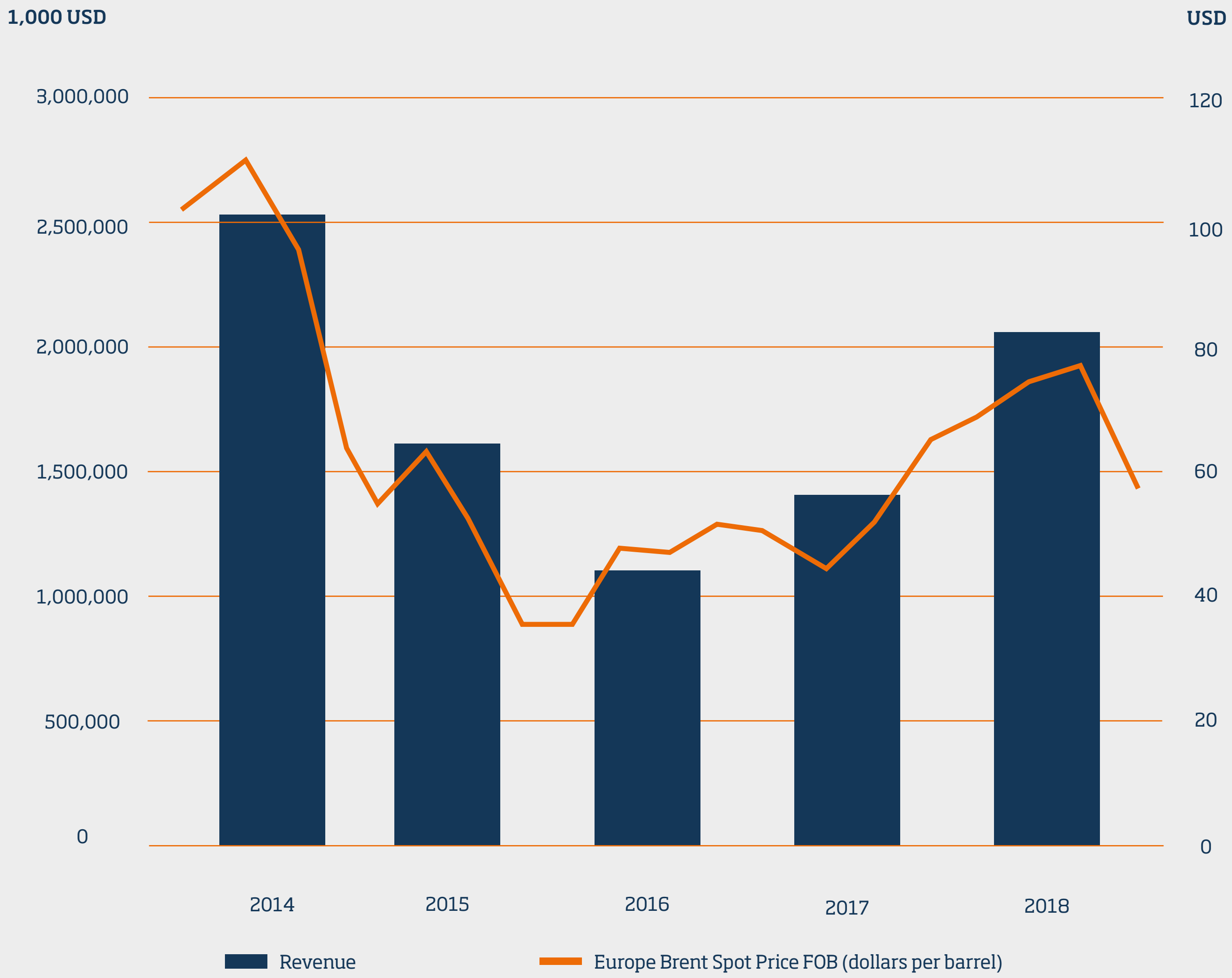
Know Your Customer

Monjasa's vessel screening system screens all vessels we might do business with before a deal is concluded. This allows the Compliance department to proactively manage risks ahead of concluding on any commitments.

35,886

screened vessels in 2018

Revenue/Oil Price Development



Increasing oil price levels affect total revenue

Increase in average oil price levels from USD 54 to USD 71, coupled with a significantly higher total supply volume, affected total revenue of the year.

Source: EIA

Realised Losses

<0.1%

loss on debtors in 2018 compared to revenue, through intensive focus on collecting overdue debt

Letter from the Chairman of the Board

2018 was a year of solid progress across the Monjasa Group. Despite continuously challenged global shipping markets, we report a 47% revenue increase and, in line with expectations, a positive result of the year.

Christian Merrild
Chairman of the Board

We leave another year of challenging shipping markets behind us. A year which saw continuing overcapacity across most shipping segments putting pressure on earnings across the board. In addition, we witnessed USA and China locked in protracted trade disputes and Brexit keeping uncertainties high in the EU.

SOLID FINANCIAL PERFORMANCE

Thus, it is indeed comforting for the Board of Directors to report that Monjasa's oil business is performing well and shows signs of steady improvement. In particular, we take comfort in the impressive 17% increase in total supply volume from 3.5m to 4.1m tonnes in 2018 and a positive result of the year of USD 5m. Delivering more tonnes to customers across all our main markets demonstrates confidence in our operating model and that the received service is highly valued.

When it comes to customer service, we owe it to our employees who are succeeding in making Monjasa's business personal. At the end of the day, the commitment that goes into every fuel purchase builds on knowledge and trust towards the counterparty. Our strong personal relations across oil and shipping industries are undoubtably an invaluable part of our service offering.

EXPANDING OUR BANKING PARTNERSHIPS

During the year, Monjasa's improved performance also led to positive developments in relation to our lenders. New credit agreements have been agreed and Monjasa's banking pool has been expanded with new partnerships in the US and the Middle East.

READY TO FACE GROWING INDUSTRY REGULATIONS

Year on year, the global oil and shipping industries face increasing regulations. And right now, the environmental footprint we leave behind takes focus. At Monjasa, we continue to see quality management and compliance as a prerequisite to work in bunkering. We are fortunate to already have invested heavily and implemented the quality management systems needed to comply with IMO's 2020 Sulphur Cap and thus enabling a smooth transition to more environmentally sound fuel products for our customers.

OPTIMISED FLEET ACTIVITIES

Looking at the logistics tying together Monjasa's bunker operations, we have maintained a total number of 20 tankers from 2017 to 2018. It is, however, noteworthy that we have been able to further optimise our fleet-related costs by carefully evaluating chartering terms and purchasing options across our fleet.

It remains a priority to the Board of Directors to have the Monjasa fleet composed by the right mix of chartered and owned tankers. Time charter of vessels is a strategic priority to secure both operational and financial flexibility.

"In particular, we take comfort in the impressive 17% increase in total supply volume from 3.5m to 4.1m tonnes in 2018 and a positive result of the year of USD 5m.

However, with the vast majority of our fleet operating on chartering terms, we also seized the right opportunity and secured acquisitions of a total 25,500 deadweight tonnage for our operations in West Africa and Northwest Europe.

The two tankers, MT African Sprinter and MT African Runner, were acquired in full for operation in West Africa, while MT Fredericia was acquired for continued operations in the English Channel.

OFFSHORE WIND AND IT

For our offshore division, C-bed, 2018 was a year of transition and the company managed to adapt to the future market demand by selling two older vessels to new owners in the Mediterranean. With Wind Innovation being one of the best vessels in the market, C-bed is well equipped for taking on future offshore wind projects.

IT company, RelateIT, which delivers ERP solutions saw positive developments in 2018, including an expansion with a new office in Copenhagen. Coming from a partly role as internal IT consultancy for Monjasa, RelateIT today primarily services external customers.

"New credit agreements have been agreed and Monjasa's banking pool has been expanded with new partnerships in the US and the Middle East."

POSITIVE OUTLOOK FOR 2019

Concluding on 2018, the Board of Directors assesses that Monjasa Holding A/S has the right foundation in place for enabling further growth and profitability across all business units. Despite the continuous structural uncertainties surrounding the global shipping markets, we believe that we are present in the right markets and have the right organisational and financial strength to support positive developments in 2019.

THANK YOU

On behalf of the Board of Directors I can only express my sincere gratitude towards our many business partners and employees for the collaboration over the past year.

Christian Merrild

Fleet of 20 Tankers

As of 31 December 2018, our fleet of modern tankers numbers 20 and has an average age of 12 years.

They are all double-hull and offer a crew specifically trained for handling bunkers.

Americas

3

Northwest Europe

3

The Middle East

3

West Africa

11

2018

African Runner
One of our tankers, MT African Runner, transiting the Kiel Canal.

Group CEO Statement

Closing the books of 2018, we find Monjasa in good condition. Our push for new quality standards and extended professionalism in our existing markets resulted in more customers awarding their business to Monjasa.

The overall performance of the Monjasa Group in 2018 was satisfactory. With total volume growing from 3.5m to 4.1m tonnes and delivering a positive net result, we can conclude that we are present in the right markets and able to offer a high quality and consistent level of service.

IMPROVING BUSINESS FUNDAMENTALS

Our business fundamentals are improving on the back of decisions made years ago. Our focus is to extend an even higher level of professionalism in the markets where we are already present, rather than necessarily expanding into new territory.

In other words, at Monjasa, the top line is not our focus. Instead, we want to be successful through an agile organisation ready to offer a further personalised service and extended quality in our operations. Getting this right, we will see further improvements of our business performance and financial strength.

PUSHING FOR PROFESSIONALISM

Coming from several years of operating in low-margin shipping markets, we have kept our eyes focused on how to further enhance professionalism across our thousands of yearly bunker supplies.

Today, there is very little room for errors and since everyone in the industry is offering mainstream commodities, Monjasa needs to differentiate on our offerings in terms of the level of service and the overall experience in dealing with us. In the current market, you are likely not to be first choice, if you cannot truly contribute to making a difference.

This goes from the way we handle every counterpart, to every fuel inquiry and the way we exercise due diligence to how our crew, officers and equipment are ultimately rated by our customers when receiving supplies from us.

Success comes from getting all details right, including our culture, a good portion of self-insight, the level of internal education, and daring to be rated by those around us. Just a few examples of how Monjasa is differentiating and showing personality in the current markets.

UP FOR THE IMO 2020 CHALLENGE

A recent example which confirms that our focus and investments are indeed relevant, is the fast-approaching IMO 2020 Sulphur Cap. Transparency and compliance are key words these days along with reliability. We are experiencing growing industry regulations, which has kickstarted detailed discussions on quality.

At Monjasa, we are ready for the transition with plenty of product availability, clear document trails and logistics in place. The past year has shown that our operating model is already geared for 1st of January 2020 and we look forward to living up to our promise of 'what we say, is what we do'.

"Success comes from getting all details right, including our culture, a good portion of self-insight, the level of internal education, and daring to be rated by those around us."

POSITIVE OUTLOOK ON 2019

Looking ahead, we thus remain optimistic on future developments across Monjasa Holding A/S.

Our existing markets holds plenty of potential for further development and professionalism, and as a company we are able to accommodate further volume without adding much to our operating costs. Coupled with expected positive developments in our offshore wind and IT activities, we expect further positive results, and thereby we bid welcome to the year of 2019.

Anders Østergaard

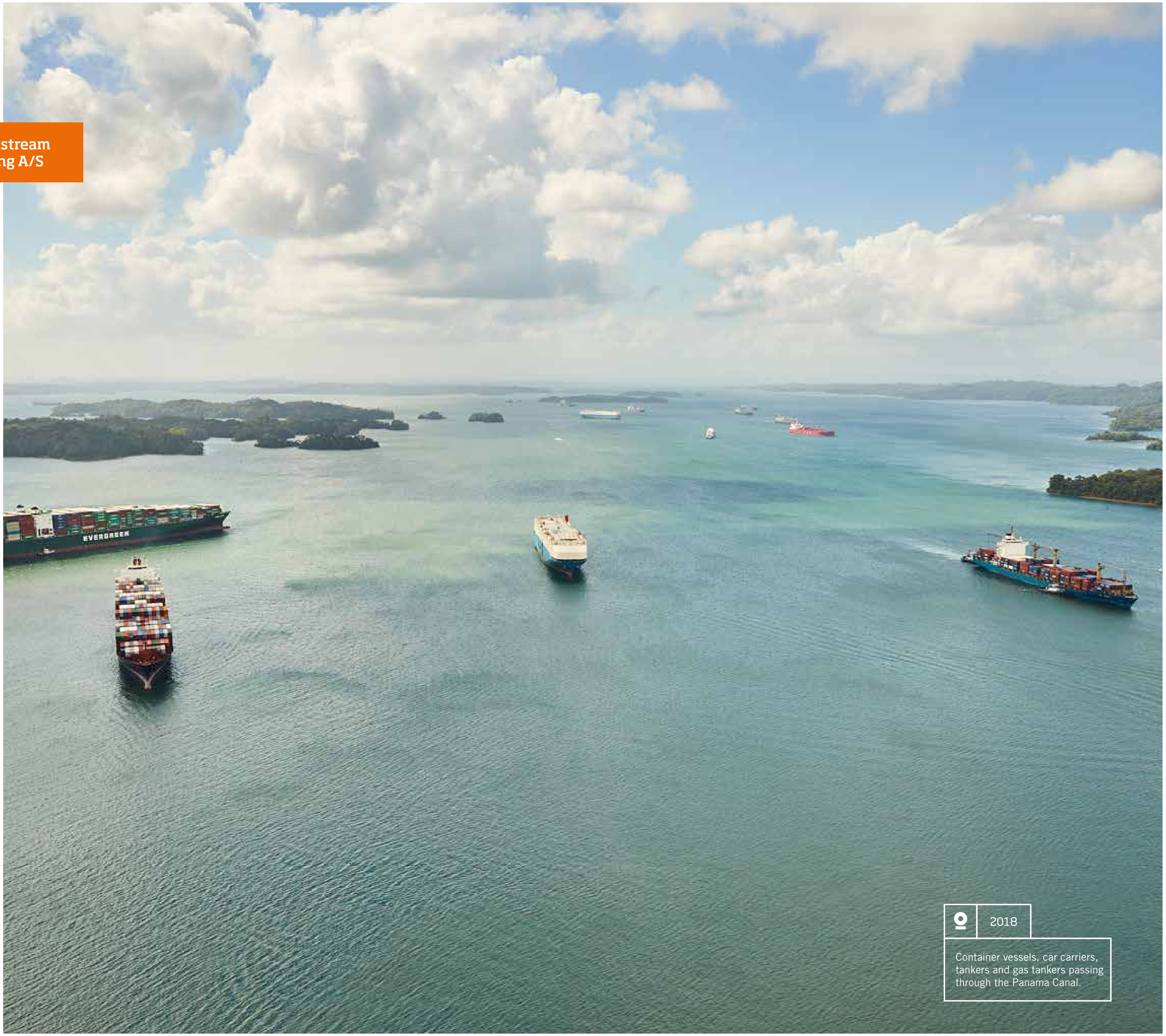
Group CEO, Anders Østergaard.

Monjasa Holding A/S Company Structure

Monjasa Holding A/S
Denmark

- **Downstream Holding A/S**
- **Logistics Holding A/S**
- **C-bed Holding A/S**
- **RelateIT Holding A/S**

Downstream Holding A/S



2018

Container vessels, car carriers, tankers and gas tankers passing through the Panama Canal.

Delivering More Fuel Across all Markets

With total volume up 17% in 2018, the year brought positive developments for Downstream Holding A/S.

Monjasa's role in the oil and shipping industries remains to inspire our business partners by challenging status quo in niche markets around the world. Delivering on that promise in 2018, Monjasa strengthened its core business fundamentals.

Surpassing the 4 million tonnes mark
Despite a continuously challenged maritime shipping industry, 2018 showed positive developments. Total volume grew by 17% to 4.1m mts (3.5m mts) most notably across the Americas and the Panama Canal, where Monjasa now ranks as the 2nd largest bunker supplier.

Downstream Holding also reports increase in total revenue of 47% reaching USD 2.1bn (2017: USD 1.4bn). Coupled with the volume increase, a significant jump in average Brent oil price level reaching USD 71 per barrel (2017: USD 54) impacted total revenue.

Servicing more customers in more ports
A significant driver behind the 17% volume increase was a global influx of new customers.

During the year, we welcomed +250 new ship owners, operators and charterers who started taking bunkers on spot or contracts with Monjasa. Also, we are pleased to see an additional +100 customers once again awarding Monjasa their business, benefitting from our niche market operations around the world.

Lastly, the geographical range of bunker operations expanded with Monjasa servicing a total 601 ports globally in 2018 compared to 554 the year before.

Tightening supplier relations ahead of IMO 2020
In 2018, Monjasa accelerated preparations for meeting customer demand for low sulphur fuels come 2020. An important element has been to successfully tighten relations with oil majors to secure future availability of high-quality products.

Monjasa is thus confident about making the demanded fuels available in our core markets well before 1 January 2020.

Logistics Holding A/S

Prioritising a Young and Modern Fleet

Logistics Holding A/S contains single ship owning companies and is linked to the Monjasa Group's bunker oil activities.

Operating a fleet of 20 tankers worldwide, the Monjasa Group is a natural part of the global market for quality tonnage aimed our physical bunker operations in Northwest Europe, Panama, the Arabian Gulf and West Africa.

2018 turned out to be the right year to assume definitive control of three tankers to further strengthen ownership across our supply chain in West Africa and Northwest Europe.

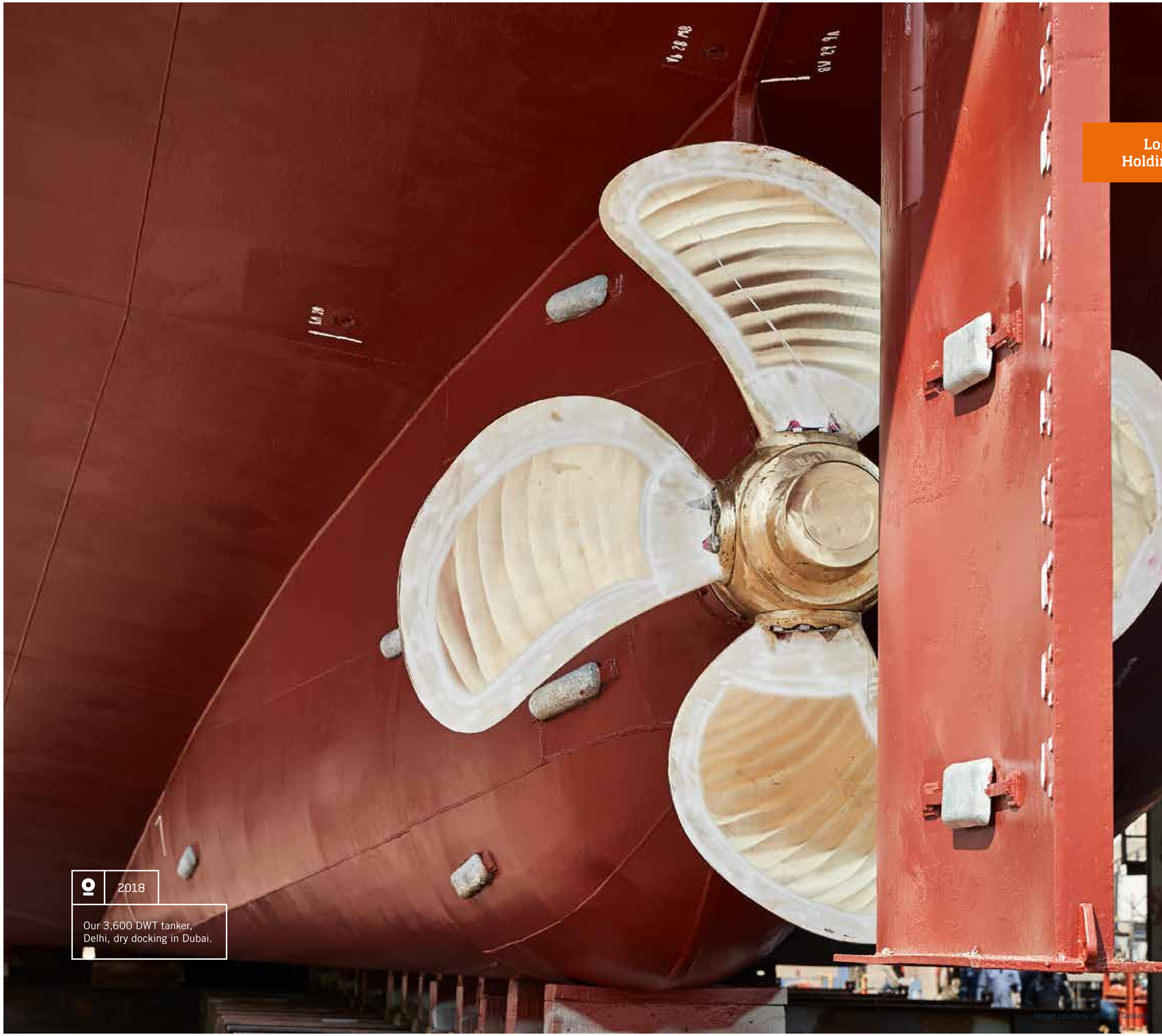
Acquisitions for the West Africa operation
The acquisitions of MT African Sprinter (8,200 DWT) and MT African Runner (13,700 DWT) are examples of how the West Africa bunker market is developing.

Just 10-15 years ago, West Africa was not able to offer a reliable bunker supply whereas today, the region offers quality tonnage and buying conditions matching well-established bunker locations such as Rotterdam, Las Palmas and South Africa.

Taking ownership in the English Channel
In Northwest Europe, Logistics Holding A/S gained full ownership of the Fredericia (3,600 DWT) for bunker operations in the English Channel.

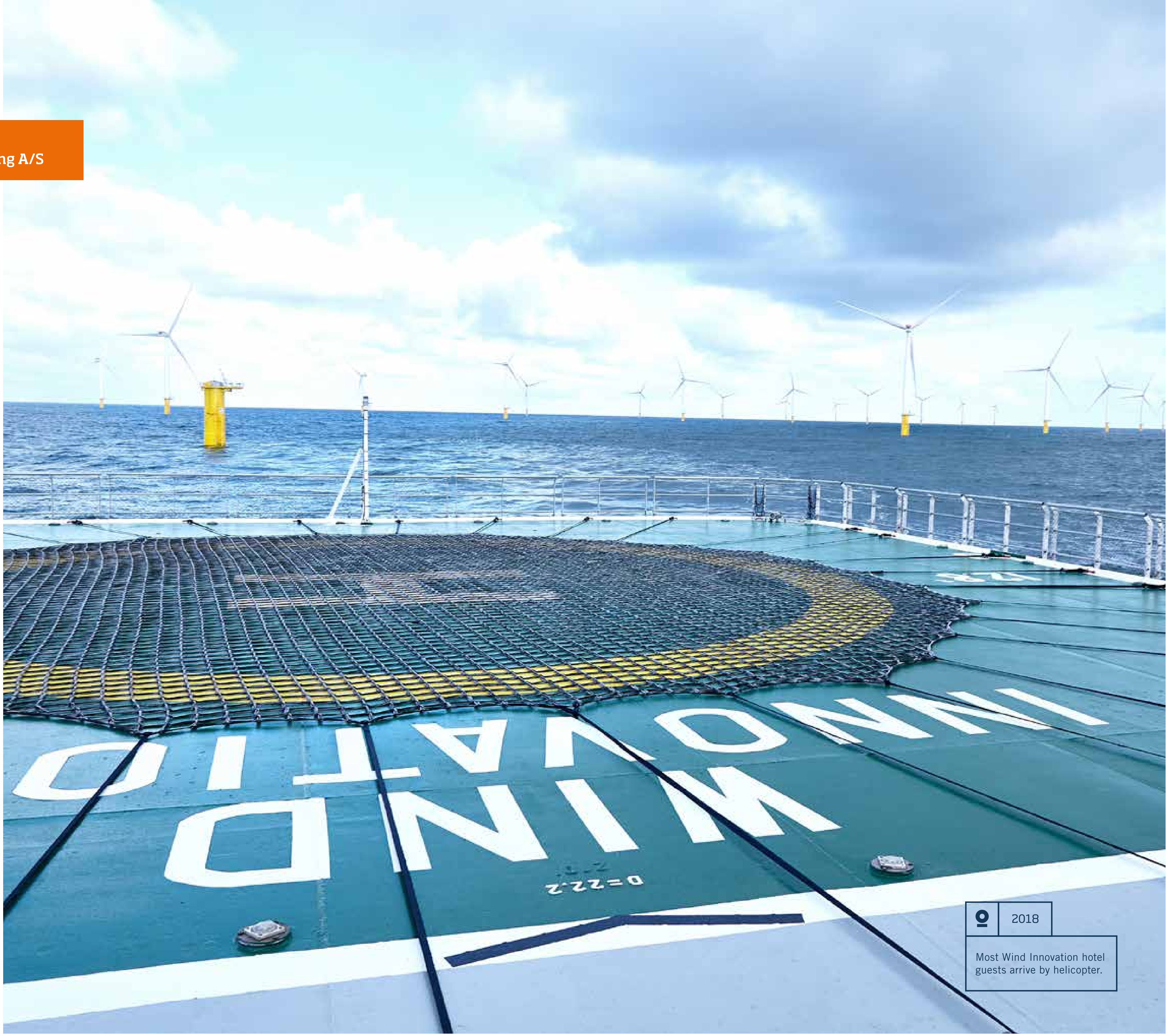
In 2016, Monjasa established a niche market in the English Channel as an alternative for ship owners and operators taking bunkers in the ARA hub. In this setup, MT Fredericia plays a significant role and currently performs bunkering operations in the Portland area and across Northern France.

With this acquisition, Monjasa now gains full ownership of the supply chain as we already control all sourcing and storage of oil products at our oil terminal located at Portland Port.



2018
Our 3,600 DWT tanker, Delhi, dry docking in Dubai.

C-bed
Holding A/S



2018

Most Wind Innovation hotel guests arrive by helicopter.

Strong Demand for Wind Innovation

C-bed increasingly focuses on operating more advanced offshore vessels and sold off two older ferries in 2018.

For C-bed, 2018 was a year of transition towards meeting new industry demands.

With 2018 marking C-bed's 23rd individual offshore wind farm project, C-bed has become a leading walk-to-work and accommodation service provider throughout the industry. With more than 10 years of experience, C-bed continues to support the transition to a renewable future by reducing the cost of wind energy.

Accommodating increasing logistical demands
With industry demand fast shifting towards more advanced accommodation vessels, C-bed decided to sell two floating hotels in 2018. Both Wind Ambition and Wind Solution were handed off to its new owners for continued ferry services in the Mediterranean Sea.

Instead, C-bed increasingly focuses on operating more advanced offshore vessels such as the DP2 walk-to-work vessel Wind Innovation, which joined the C-bed fleet in 2016. This concept allows for offshore accommodation and hotel services for up to 80 workers in single cabins. This eliminates costly daily transport of personnel and equipment to and from the wind farms.

Strong demand for Wind Innovation
The offshore wind market is regaining strength and calling on offshore service operators such as C-bed to deliver optimised operating standards from day one. There is no room for learning curves in this industry anymore.

In particular, the demand for walk-to-work offshore vessels is increasing and Wind Innovation represents the most complete Service Operation Vessel (SOV) currently available in the market for the operators.

With business fundamentals in place and strong demand for Wind Innovation in 2019, C-bed is well-positioned for future developments.

MONJASA

RelateIT Holding A/S

RelateIT Gaining New Ground

RelateIT specialises in delivering ERP solutions and IT infrastructure for external customers and also powers Monjasa's IT backbone.

By providing on-demand ERP business solutions and operating in an overall healthy IT business environment, RelateIT saw positive developments in 2018.

With a 34% increase in number of employees to a total 59 in 2018, RelateIT continues expansions in both geographical scope and organisational size. Growth has never been an overall objective in itself, but delivering a product and service that creates further demand allowed RelateIT to increase the workforce, by welcoming developers and consultants fitting the Monjasa Group values and company culture.

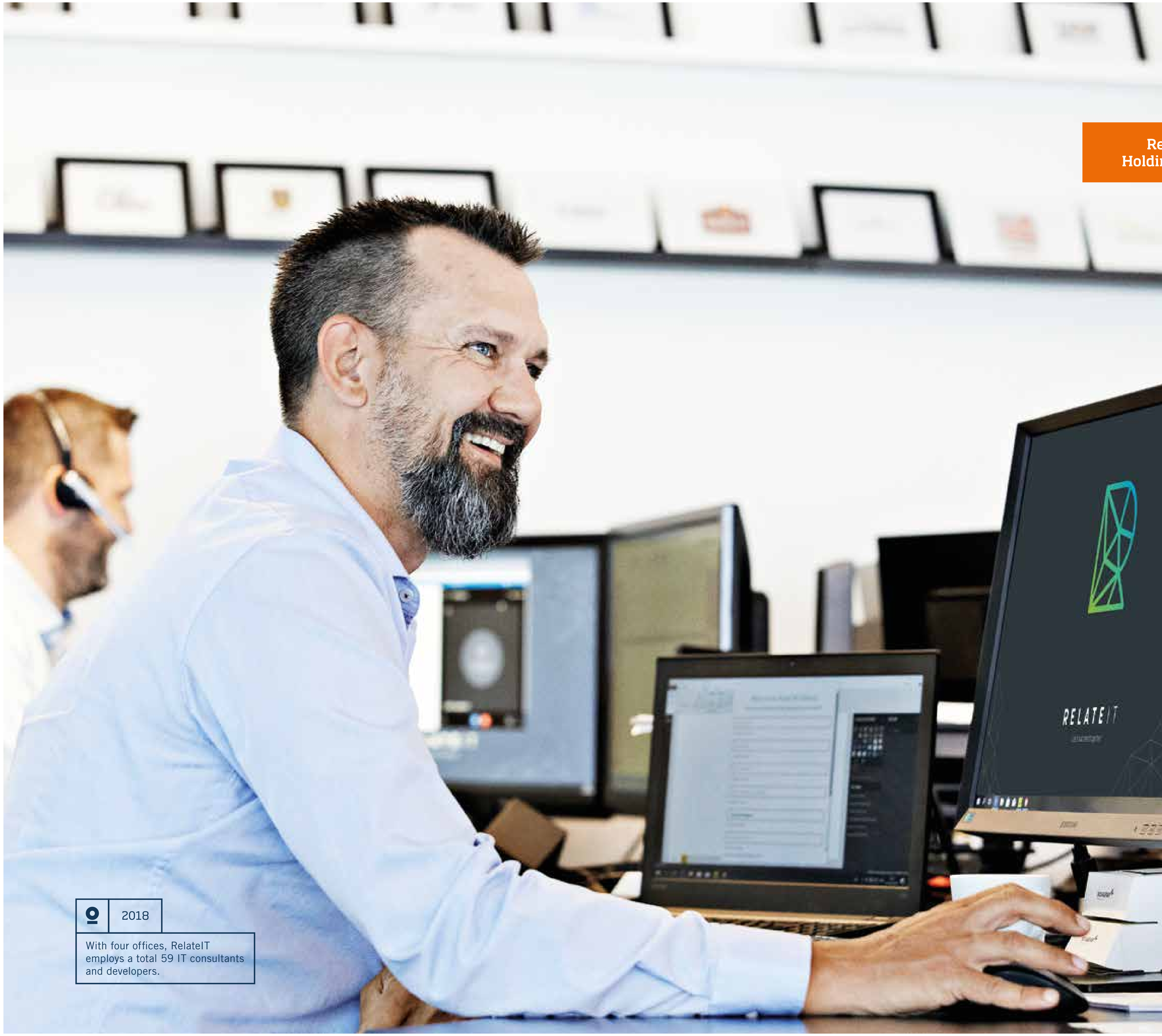
Expansions in Denmark and Dubai
In 2018, RelateIT expanded the business from being regional to going nation-wide. With a new office in Copenhagen, Denmark, RelateIT now has three national offices, covering customers in east and west.

Most recently, RelateIT also embarked on an international journey with an office in the UAE. Heightening Group synergies, this new office shares the same address as Monjasa's existing location in Dubai.

Future-proofing digital developments
With digitalisation gaining even more ground in almost all industries, this is also a prerequisite for Monjasa's global business performance.

Having RelateIT as part of the Monjasa Group, we take comfort in having secured access to ERP specialists who know the Monjasa Group business inside-out and bring stability to our IT performance and agility to our ERP developments.

In 2019, RelateIT expects to continue growing its business, opening new offices and contributing to Monjasa's digital developments.



2018

With four offices, RelateIT employs a total 59 IT consultants and developers.

2018

Group COO,
Svend Stenberg Mølholt.

Monjasa Means Personal Business

CORPORATE PURPOSE

Monjasa's role in the oil and shipping industries remains to inspire our business partners and become first choice by challenging status quo with our original solutions.

By living our values respect, ambition, curiosity, and smile & joy, we are building strong personal relations and engaging in networks in every port.

Thereby, we are unlocking niche market access and advancing global trade for the benefit of both customers and communities.

Leading the way in Sustainable Bunkering Operations

The DMCC Awards ceremony in Dubai, 30 April 2018

2018 Acknowledgements

In 2018, Monjasa received three different acknowledgements within compliance and HSEQ.

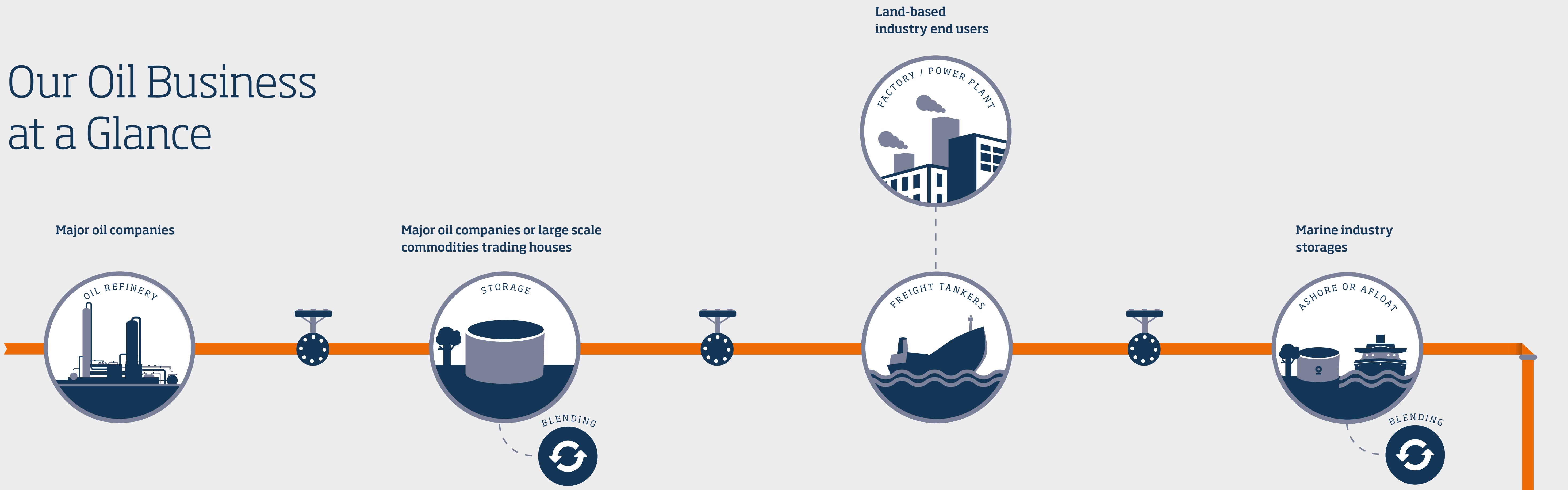
At the DMCC Awards ceremony, Monjasa was awarded with the **Best Compliance Award 2018** for implementing a compliance framework that allows us to showcase best practices, due diligence and ethics in every operation.

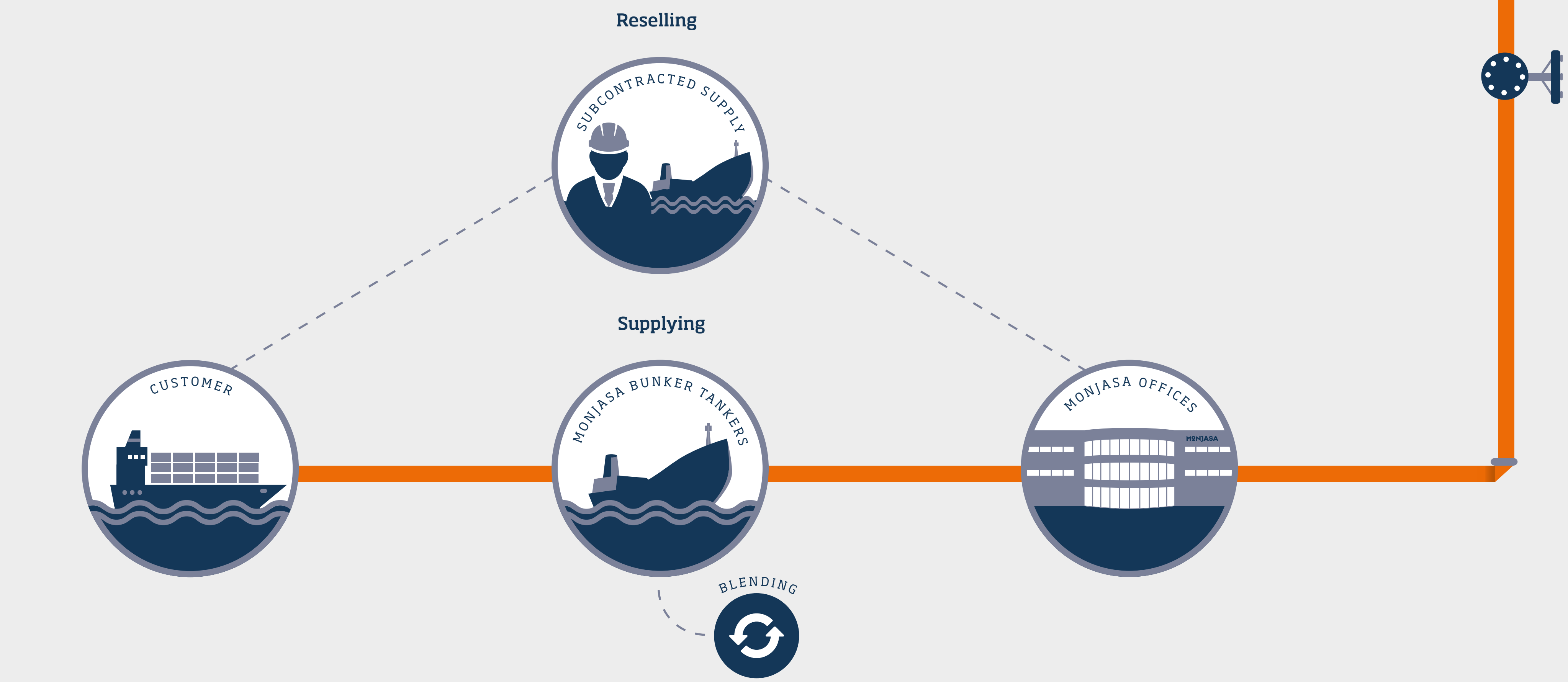
Maritime Standard recognised Monjasa for leading the way in sustainable bunkering operations and managing our environmental impacts, winning us the **Green Shipping Award 2018**.

At the Seatrade Maritime Awards in Dubai, Monjasa won the **Safety and Quality Award 2018** recognising Monjasa's risk management approach and commitment to providing a first-class service resulting in a 99.2% satisfaction rate across 4,302 deliveries during 2018.

"The awards signal that our efforts are recognised and that the steps we take to make quality, safety and compliance part of the business are welcomed. Being recognised by respected organisations confirms the relevance of our efforts and the direction we have chosen as a company. Therefore, I am proud of the recognition which reminds us to continue our efforts rather than celebrating what we have already done – even if it stands out in our industry," says Group COO, Svend Stenberg Mølholt.

Our Oil Business at a Glance





Sourcing, shipping and supply

The Monjasa Group is a global partner in the oil and shipping industries. Our core business includes reselling and supply of marine fuels, oil terminal operations, and ship owning activities on a global level.

Our main business platform continues to include worldwide reselling activities and supply in West Africa, Northwest Europe, Americas, and the Middle East.

Reselling

In our reselling activities, we arrange the buying, selling, and distribution of marine fuels for our customers by using our extensive network of suppliers and subcontractors.

Supplying

As supplier, we use our own trucks, oil terminals, and bunker tankers to handle and physically deliver the desired product to our customers. Our operations take place in various international ports or as ship-to-ship bunkering operations at sea.

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of Monjasa Holding A/S for the financial year 1 January 2018 – 31 December 2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2018 and of the results of the Group's and Parent's operations and the Group's cash flows for the financial year 1 January 2018 – 31 December 2018.

Furthermore, in our opinion, Management's review contains a fair presentation of the development in the operations and financial circumstances of the result for the year and of the overall financial position of the Group and the Parent, as well as a true and fair description of the most significant risks and elements of uncertainty faced by the Group and the Parent.

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

Copenhagen, 28 March 2019

Executive Management

Anders Østergaard

Svend Stenberg Mølholt

Board of Directors

Christian Merrild
Chairman

Anders Østergaard

Flemming Ipsen

Tage Bundgaard

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MONJASA HOLDING A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Monjasa Holding A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared 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 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

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 consolidated financial statements and the parent financial statements* section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and 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.

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

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent'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 consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent'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 consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITOR'S REPORT

Statement on the management review
Management is responsible for the management review.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management review and, in doing so, consider whether the management review is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management review is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management review.

Copenhagen, 28 March 2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Siggaard Hansen	Kåre Valtersdorf
State-Authorised	State-Authorised
Public Accountant	Public Accountant
MNE no mne32208	MNE no mne34490

FIVE-YEAR FINANCIAL HIGHLIGHTS

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

Group

Key figures	2018	2017	2016	2015	2014
	USD '000	USD '000	USD '000	USD '000	USD '000
Income statement					
Revenue	**2,073,229**	**1,407,332**	**1,158,652**	**1,601,930**	**2,548,369**
Gross profit	49,098	51,316	30,007	66,045	67,793
Profit/loss before financial income and expenses	8,336	6,531	-17,355	29,565	35,220
Net financials	-5,497	-2,657	-12,218	-1,301	-5,233
Net profit/loss for the year	**4,858**	**6,767**	**-25,825**	**23,684**	**22,385**
Balance sheet					
Balance sheet total	416,737	339,034	312,179	363,446	344,370
Equity	120,528	124,035	112,997	144,130	124,464
Cash flow from:					
- operating activities	-20,185	17,165	82,971	74,471	-9,857
- investing activities	7,902	-3,963	-28,800	-27,418	-15,697
- investment in tangible assets	-8,424	-3,164	-27,808	-37,410	-18,943
- financing activities	19,914	-24,311	-72,155	-2,258	23,755
Change in cash and cash equivalents for the year	**-793**	**-14,273**	**-17,984**	**44,795**	**-1,799**
Average number of employees	456	635	643	635	560
Ratios					
Gross margin	2.4%	3.6%	2.6%	4.1%	2.7%
Profit margin	0.4%	0.5%	-1.5%	1.9%	1.4%
Return of assets	2.0%	1.9%	-5.6%	8.2%	10.2%
Equity ratio (Solvency)	28.9%	36.6%	36.2%	39.8%	36.2%
Return on equity	4.0%	5.7%	-20.1%	17.9%	19.3%

2018

Trading floor, Fredericia.

REVIEW

1.0 MAIN ACTIVITY

The main activity of the Monjasa Group (the Group) comprises sale, purchase, and transportation of oil products primarily for the maritime industry, chartering of accommodation vessels to the offshore wind industry and IT activities with focus on ERP solutions to a broad spectrum of industries. Supporting activities relate to the operation of vessels and associated activities.

2.0 DEVELOPMENT IN THE YEAR

Group operations (EBIT) reached USD 8.3m in 2018 (2017: USD 6.5m), which is satisfactory. The Group's operating result was positively impacted by increasing volumes.

The net result after tax for 2018 amounts to USD 4.9m which is in line with expectations set in the annual report 2017. At 31 December 2018, equity amounts to USD 121m, making the 2018 return on equity 4.0% (2017: 5.7%) which is satisfactory.

Overall, Management considers the net result of 2018 satisfactory.

3.0 THE MONJASA GROUP

The Monjasa Group consists of several separate legal entities, each with their own management and decision-making authority.

The Monjasa Group has an independent Board of Directors, who sets the overall direction in dialogue with management. This is consequently implemented through day-to-day management carried out independently by each Group entity.

Overall, the Group is divided into four main activities: bunker oil trading, tanker operation, offshore wind and IT activities.

The bunker oil activity comprises worldwide trading and transport of oil products primarily for propulsion in the maritime sector. This is delivered in the form of fuel and gas oil, delivered at various in-port and offshore locations. Monjasa focuses on providing value-added services such as niche supply locations, granting of trade credit, issuing of technical and commercial advice, as well as offering a one-shop-brand worldwide.

The tanker vessel activity contains several single ship owning companies and is linked to the bunker oil operations within the Group. Thereby, at all times securing all tanker vessels' employment within the Group's physical supply and transport activities.

The offshore wind activity consists of owning and chartering out ASVs (Accommodation and Support Vessels) for the offshore wind industry and other offshore energy activities. The IT activities focus on ERP solutions, delivered through consultancy, IT infrastructure and Power BI. These solutions are delivered to customers within e.g. retail sector, maritime sector and insurance sector.

3.1 Bunker oil activity
In 2018, the Group developed its core markets even further and grew its presence in niche markets, especially Panama. Volumes grew by 17% compared to 2017 (2017: 3.5m, 2018: 4.1m mts), denoting a positive development in core markets and a stable influx of new customers during the year.

The tanker fleet remained stable in 2018 at 20 vessels (2017: 20 vessels), maintaining its support to operations. With increasing tonnes delivered, logistical optimisations were implemented to achieve this. 16 of the tanker vessels are operated on time or bareboat charter agreements. 4 of the tanker vessels are owned by the Group (2017: 2 vessels).

Average oil price in USD (Brent spot)

Source: EIA

At the end of 2018, the Group's oil inventory holdings amounted to USD 68m (2017: USD 51m), reflecting oil price increases and inventory levels matching increasing activity.

Management observed further demand for focus on quality and compliance in 2018 which positively impacted the demand for Monjasa's bunker oil activities going into 2019. The bunker market will be impacted by the IMO 2020 regulations already in 2019 where focus on quality management and compliance is expected to qualify market leaders going into 2020.

3.2 Tanker vessel activity
In 2018, the tanker vessel activity consisted of single ship owning companies, and companies chartering vessels from external ship owners, catering to the transport requirements for the bunkering activities within the Group.

Tanker vessels are not acquired for commercial competition on the spot market. The Group's full ownership of certain tanker vessels is considered an essential part of being able to uphold a steady and reliable physical supply service even in volatile freight markets.

In 2014, the Danish tax authorities introduced a new interpretation of existing law, which in effect prevents Monjasa from using the previously adopted tonnage tax regime. The Group does not agree with the opinion of the Danish tax authorities, and therefore the Group has disputed their opinion awaiting a court ruling expectedly in 2019. Consequently, the Group has provided corporate taxes payable and deferred tax for the Danish activities based on the statutory Danish tax rate.

During 2018, the tanker "African Leader" was sold while purchasing 3 additional vessels. The tanker "African Sprinter" was purchased of the leasing agreement and the vessels "African Runner" and "Fredericia" were purchased in the market, resulting in a total of 4 fully owned tankers (2017: 2).

3.3 Offshore wind activity
Revenue and EBIT in 2018 from the offshore wind activity were below levels in 2017 as two accommodation vessels were sold off and the fleet now only consists of one vessel "Wind Innovation".

The primary activity of all C-bed companies remains chartering of ASVs to operators and energy companies within offshore wind and related industries.

3.4 IT activity
The IT activities consists of ERP solutions, delivered by RelateIT A/S, who at the start of 2018 consisted of two locations and 44 employees, selling NAV consultancy and development as well as IT Infrastructure and Power BI solutions. By the end of 2018, this increased to 59 employees (34% increase) across three locations. Focus is multi-industry with the majority of revenue coming from maritime and retail customers.

4.0. TARGETS AND EXPECTATIONS FOR 2019

4.1 Bunker oil activity
In 2019, the bunker oil activity is expected to experience a moderate growth in activity, as compared to 2018. This is to be seen in current niche markets.

4.2 Tanker vessel activity
The business is expected to remain stable and revenue and net result are expected to be at the same levels as in 2018.

The focus of this activity remains to service the Group's bunker oil activity.

4.3 Offshore wind activity
C-bed is expected to remain a market leader within offshore wind. Further demand may qualify a demand for vessels, which continues to be evaluated case by case. Net result is expected to improve in 2019, compared to 2018.

4.4 IT activity
RelateIT will be focussed on building further scale by delivering its core product, ERP consultancy. The further scaling of the business is expected to increase the result in 2019 compared to 2018. Consequently, net result is expected to be above the level achieved in 2018.

4.5 Overall
Given the internal focus on quality, compliance and logistical optimisation, Management expects the current external focus on same to positively impact the net result for the Monjasa Group in 2019, achieving a net result that is above 2018 (USD 4.9 m).

The 2019 expectations on financial performance are naturally subject to uncertainty and in particular with respect to the development in global shipping markets, the world economy, exchange rates, oil prices, and rate levels.

5.0 FINANCIAL RESOURCES

Fluctuation in oil prices and increased activity in all business areas resulted in a higher working capital end 2018. This was mitigated by increased cash flow from new bank facilities and strategic supplier partnerships gained during the year.

With an equity ratio of 28.9%, Management considers the Group to be in a strong financial position, ready to exploit the opportunities available in the global markets.

The equity ratio decreased to 28.9% in 2018, as increased balance sheets were realised due to higher activity during 2018 and increasing oil prices. However, Management considers the Group to be in a strong financial position when benchmarking the industry, ready to exploit the opportunities available in the global markets.

6.0. OPERATING AND FINANCIAL RISKS

6.1 Operating risks

6.1.1 Bunker oil
The Board of Directors and the Monjasa Compliance department are acting independently from the operational Group functions. Thereby, they continuously review and manage any developments in the overall operating risks associated to the Group's main business activities.

It is assessed that there are no sizeable uncovered risks in respect of the Group's operations. The Group likewise holds adequate insurances against potential exposures, which could occur to the Group bunker oil operations.

6.1.2 Offshore wind
The offshore wind industry is characterised by a few large market players and relatively few, large energy companies. Therefore, it may be difficult to obtain sufficient spread of client risk. On the other hand, these customers are typically financially solid. As the wind industry is generally favoured by state grants, the industry is to some extent exposed to potential political intervention.

6.1.3 Hijacking
The safety of personnel is the premise for all our precautions. The Group operates both owned and chartered vessels in West Africa where hijacking is a risk factor. In order to minimise the risk of personal injury, as well as operating losses due to assault, the Group has implemented an anti-piracy strategy, which includes an extensive description of how the crew and the officers should act in case of hijacking and/or piracy.

The strategy comprises measures to be taken both during and after a possible assault, and it includes practical security initiatives on board each vessel.

6.1.4 Market risks
The bunker oil activity is only marginally affected by the risk of fluctuations in oil prices, as the oil products are either purchased and sold simultaneously, or otherwise hedged against fluctuations.

6.2 Financial risks

6.2.1 Bunker oil
USD is the primary currency applied in the bunkering and tanker activities and there are no translation risks related to exchange rates in the financial statements.

The financial risk from fluctuations in oil prices is either naturally hedged by selling and purchasing happening simultaneously, or otherwise hedged against fluctuations. Monjasa considers oil price volatility a risk to be managed and an Oil Price Risk Management Policy is in place, which sets out Monjasa's commitment to efficiently hedge any oil price exposure of the Group.

6.2.2 Offshore wind
This activity is primarily settled in EUR or DKK. Management expects EUR and DKK to remain predominant currencies and the activity hence holds limited exchange rate risks.

6.2.3 Interest rate risks
Operating within the oil and shipping industry often involves extensive capital requirements, which results in financing requirements for companies with high growth. The Group's debt is primarily based on variable interest rates. Therefore, the interest rate has an influence on the Group's results. Management reassesses financing options on a concurrent basis based on a.o. the interest rate development.

6.2.4 Credit risks
Granting credit to counterparts represents a risk in the oil and shipping industries. Group Management therefore maintains a strong focus on the policies towards approval of trading partners and granting of credit lines to these. The Monjasa Group has a separate Credit department, which evaluates all new and existing trading partners in accordance with the credit policy. This includes use of client credit insurance, an updated credit rating model, access to extensive internal and external data sources and advanced Business Intelligence monitoring tools. Models and tools are being regularly updated to fit the state of the industry at all times.

No change in 2018 to the expectations on loss on debtors compared to previous years.

7.0 STRATEGY AND CORPORATE PURPOSE

7.1 Strategy
The Group strategy originates from the fundamental desire to provide excellent service on the long term. Hence, quality in our performance comes before fixed targets for future growth and expansion. Excellence needs to be the foundation of growth, and through laying every brick with care to further develop a leading position across markets.

Emerging and hard-to-reach markets remain a strategic priority for the future development of the Group. In such more remote markets, the Group holds profound knowledge, and through extended physical operations, we are confident to grow our global market shares in the future.

The ability to continue following our strategy largely depends on our ability to retain, attract, and develop the right human resources in our organisation. As an instrument to enhance this, the Group has increased training and development activities and established its own academy. Thereby, we strive to further benefit from our organisation's unique abilities in adapting to change according to market demands.

Within offshore wind, C-bed already takes up a market leading position. Our aspiration is to fully benefit from our first-mover advantage and together with our main clients adjust our vessels and services to the shifting demand within the offshore wind and potentially new business areas.

Within IT, RelateIT takes a market leading position in developing NAV-based ERP solutions, while building infrastructure and performance reporting around this. Building solutions based on profound customer relations is key to success in RelateIT.

The strategy of all Group companies is best described by the four core values, Respect, Ambition, Curiosity, and Smile & Joy:

- **Respect**

We must accept challenges and solve them and thereby attain respect; as a professional company and as individuals in general. Our corporate culture shall originate in mutual respect; towards our business partners, our professional tasks and internally colleague-to-colleague within our organisation.

- **Ambition**

We must never lean back and let satisfaction with obtained results become our attitude. Our corporate culture shall be accompanied by a will to improve and do better. Better than others – and better than we did last time.

- **Curiosity**

As a Group of companies and as individuals we shall be positively curious towards our business environment. By constantly acquiring new and better knowledge, we shall secure our customers and vendors the best collaboration, where all dimensions of our mutual tasks are taken into consideration at all times.

- **Smile & Joy**

It must be fun to work! Every day we are top-serious and professional, yet it is important that we maintain room for our sense of humour and mutual smiles; both internally and towards our business partners. We believe that smiling and laughing is an invaluable part of our working day and in this respect, we very much believe in 'what you give is what you get'. By maintaining this culture, we believe that we can continue to be our employees' preferred hobby.

7.2 Corporate purpose
Monjasa's corporate purpose provides an overall direction, under which strategies are allowed to emerge in a deliberate and emergent manner.

Monjasa's unique value offering is based on strong people skills and original business solutions. Our employees, culture, and heritage brought us to where we are today and will bring us to where we will be tomorrow. As we continue to consolidate our business, recruit new talent, and face new challenges, our corporate purpose will guide us in the decisions and actions we take every day.

Monjasa means personal business
Monjasa's role in the oil and shipping industries remains to inspire our business partners and become first choice by challenging status quo with our original solutions.

By living our values, respect, ambition, curiosity, and smile & joy, we are building strong personal relations and engaging in networks in every port.

Thereby, we are unlocking niche market access and advancing global trade for the benefit of both customers and communities.

The above corporate purpose inspires our staff and management as it expresses Monjasa's way of approaching business and how to impact the lives of customers, employees, communities, and whomever Monjasa engages with.

8.0 CORPORATE SOCIAL RESPONSIBILITY (CSR)

This section is Monjasa's statement of compliance with the Danish Financial Statements Act, section 99 (a).

Monjasa's core activities are outlined in section 1.0 and activities hereunder denote the scope for Monjasa's Corporate Social Responsibility.

It is the aim of the Group to live up to its corporate purpose and values in all that we do, reflecting positively on our social responsibility. It is essential that considerations for both social and environmental factors be incorporated into our organisational governance; the Group's key focus areas include the following:

- Safety, Health, Environment, and Climate
- Transparency and Ethics
- Diversity, Working Environment, Equality, and Human Rights
- Social Responsibility

8.1 Safety, Health, Environment and Climate
Monjasa has a strong commitment to providing a safe working environment for all our employees, whilst also ensuring the safety of those who work with us. This covers risks such as mooring operations, hose handling and connection activities, and fuel transfer operations to ensure we are managing our most significant environmental impact (i.e. oil spills posing a risk on the marine environment). Protection to the environment and climate is also at the top of our risk management framework and we take all reasonable precautions to ensure our business activities cause minimal impact to these. Compliance with all relevant legislative requirements globally is of utmost importance.

Monjasa has a formal Health, Safety, Environment, and Quality (HSEQ) management system. We are proud of the fact that since 2014, Monjasa has held accreditation for ISO 9001, ISO 14001 and OHSAS 18001 across all our offices and operations in Europe, the Americas, the Middle East & Africa, and Southeast Asia and ISO 50001 in C-bed across all operations.

8.1.1 Occupational Health and Safety Management (OHSAS 18001:2007)
In 2017, we upgraded our ISO 9001 Quality and ISO 14001 Environment certificates to the most recent revision for each accreditation requirements by the International Organisation of Standardisation (ISO) and it is our aim to upgrade our OHSAS 18001 accreditation to the newly developed ISO 45001 for Health and Safety management released by the ISO with an implementation plan for 2019 followed by accreditation in March 2020.

We researched and mapped the natural hazards for the sometimes-challenged geographical locations, where we conduct our business. To mention a few, the natural emergency preparedness procedures which were identified include hurricanes, earthquakes, extreme heat, and flu & pandemic in addition to many other potential incidents and vulnerabilities that may result in disaster and/or disruption to our employees' lives or the delivery of a quality service through our supply chain.

The Monjasa Academy conducted 43 unique training and competency development activities in 2018 with a total of 1,665 hours spent on training across the Group. For example, employees globally participated in a mandatory IT Security and GDPR e-module to raise awareness on these topics. Personnel at Skaw Terminal went through first aid, fire-fighting, hose-testing and confined space training to tackle health and safety situations that may arise. Training is an integral part of how Monjasa mitigates risks associated with operations, compliance, etc.

8.1.2 Health, Safety, Environment, and Quality Recognition From Industry Stakeholders

In October 2018, Monjasa was recognised for its continuous efforts towards safety and quality by Seatrade, taking away the 2018 Safety and Quality Award in addition to the Maritime Standard, Green Award for 2018, recognising the company's efforts in minimising environmental impacts. Also in 2018, Monjasa was awarded the Best Compliance Award by the DMCC, which counts more than 15.000 businesses in Dubai.

8.1.3 Environmental Management (ISO 14001:2015)

In 2018, the Group delivered 4.1 million mts of marine fuel and experienced zero environmental incidents on our vessels/during any operation.

We acknowledge that we have a responsibility towards the global environment and climate challenges. Monjasa Holding A/S on behalf of the Group signed a commitment with Buckingham Palace towards the prevention of illegal trade of wildlife in 2016. The Group has a Zero Tolerance Policy in the respect of this commitment and set an objective plan to raise awareness about this topic. In 2018, we visited a university in the United Arab Emirates to share our knowledge, offering trainee programmes and raising awareness on this issue. We plan to continue raising awareness during 2019.

8.1.4 Energy Management (ISO 50001:2011)

We are contributing to green energy production by providing offshore accommodation vessels for those constructing offshore wind farms. This facilitation reduces transportation and fuel consumption on a day-to-day basis having a positive impact on the environment.

In 2018, we conducted two awareness campaigns on our C-bed vessels to help raise awareness on different ways to reduce energy use for our customers and crew.

8.2 Transparency and Ethics

Transparency and Ethics are inseparable from Monjasa's value of respect and we strive to put this in practice in every part of our business.

Monjasa aims to eliminate, mitigate and manage risks such as bribery or corruption in all its forms, bunker fraud, and we comply with all relevant legislation, particularly on trade restrictions and competition.

Monjasa addresses compliance risks through systematic monitoring, through the establishment of policies & procedures, through the implementation of controls, and through ongoing training of relevant staff across the Group. Our compliance framework is revised continuously to ensure that our commitment to ethics and integrity remains up-to-date with regulatory developments and with an ever-stricter business environment.

In 2018, we have continued to develop our Anti-Bribery and Anti-Corruption (ABAC) framework: we have expanded gifts & hospitality reporting to all offices in the Group and we have gained a better understanding of ABAC risks in our physical operations. In summer 2018 all members of staff across the Group completed the ABAC e-learning, which has been implemented as a yearly requirement, on top of training carried out during onboarding. During 2018, Compliance also focused on developing Monjasa's framework on fair competition with a new policy and with mandatory training for relevant employees. All in all, 281 hours of compliance training have been carried out across the Group this year.

Furthermore, Monjasa employees have had access to an external whistleblower line to confidentially report concerns. This line is handled by law firm Holst Advokater, which ensures that potential complaints are always taken seriously and investigated independently. This line has been functioning adequately during 2018.

This year, we have continued to engage with the bunkering and maritime industries. We attended Maritime Anti-Corruption Network meetings in Panama and London and worked closely with the rest of MACN members towards the vision of a maritime industry free of corruption. Monjasa was also a key driver behind the drafting of the IBIA Code of Ethics as an active member of the IBIA Ethics Working Group. Monjasa's Head of Compliance, Victor Garcia-Bragado, participated in a panel on ethics at IBIA's Annual Conference in November 2018. We will continue this active engagement with our networks throughout 2019.

8.2.1 Data protection

In May 2018, the EU General Data Protection Regulation (GDPR) came into force. Monjasa took all necessary measures to ensure compliance from day one, including establishing a data protection framework, mapping processes, reviewing contracts, and raising awareness through a GDPR portal on our intranet. During 2018, no data breaches were reported, and we responded to one data access request in line with requirements set out in applicable legislation.

Overall, our tools to address transparency and ethics have become increasingly sophisticated during 2018, and we are well in line with industry standards wherever we are not surpassing them. Compliance risks are one of the most serious challenges we face as a global business and we believe our commitment to compliance, transparency, and ethics sets us apart from our competition.

8.2.2 Quality Management (ISO 9001:2015)

Customer feedback is important to us. It provides Monjasa a platform for managing and improving our overall business. Furthermore, these measurements are key to retaining our ISO 9001 Quality Management certification. We strive to ensure that our customers are happy, and that, should any deviations occur, appropriate action is taken. Monjasa began issuing customer satisfaction surveys on the physical operations in the UAE, West Africa and Europe in 2015. The customer satisfaction surveys which were completed during 2018, show that we have completed 4,302 surveys, of which 4,267 were satisfied and 35 found room for improvement, offering further guidance for improving quality continuously.

In 2018, we began vetting suppliers to ensure an adequate level of HSEQ, compliance, and CSR efforts are being met by business partners conducting work on our behalf (B2B supplies).

8.3 Diversity, Working Environment, Equality, and Human Rights

Monjasa addresses questions regarding diversity, working environment, equality and human rights in a systematic way across the Group, to ensure any potential risks, such as discrimination, bullying, harassment, poor working conditions, or more broadly potential violations of human rights are adequately mitigated.

8.3.1 Diversity

Monjasa has a global workforce of 31 nationalities and prides itself to be a diverse workplace where there we encourage the airing of different perspectives. With our diverse skillsets, background and experiences, we enrich our own culture and challenge status quo together.

In 2018, leadership courses were conducted for managers across the group. One element of the training was to examine our unconscious biases and take steps to address these.

8.3.2 Working environment

We place a great emphasis on offering the best possible working conditions across the Group. This includes a safe and healthy environment, which in turn has a positive impact on employees both physically and mentally. When it comes to the Health and Safety of employees, we ensure consistency across the Group; this means that we ensure that Danish working environment legislation, which is considered among the world's most protective, is applied for working conditions in all offices as a minimum.

Monjasa's working environment is diverse; the Group has offices, vessels, and oil terminals operating globally. The risks associated with our business vary given the geographical location of each office and/or operational facility. Each working environment has been reassessed during 2018 for its risks; this includes those, which may result in man-made workplace emergency situations and natural emergency situations.

Monjasa has active working environment committees across the Group involving a local representative and the HSEQ department. They take monthly meetings to identify areas for improvement in the local working environment. In addition to this, the working environment committee arranges various initiatives which allow employees to come together, spreading smile and joy. In 2018, these activities covered building closer relations through the Working Environment Games, offering health checks to employees, and facilitating social events and gatherings across the Group.

In 2018, we conducted Employee Engagement Surveys (EES) across the Group for the third consecutive year. The EES encourages employees to provide their honest opinion in an anonymous manner. In 2018, we landed at a score of 8.4 out of 10 for overall satisfaction with Monjasa as a workplace compared to 8.2 in 2016 and 8.6 in 2017. These results reflect our ability to sustain high levels of employee motivation and engagement. We were able to conclude that Monjasa's key strengths are the working conditions, ample learning opportunities and a strong corporate purpose guiding the organisation.

8.3.3 Equal rights

Monjasa provides equal employment and advancement opportunities to all qualified candidates and employees.

We prioritise talent and performance instead of focusing on imposing gender quotas. We focus on the benefits of diversity and how to reduce unconscious bias.

8.3.4 Human rights

Monjasa is deeply committed to respecting and upholding Human Rights as enshrined in the UN Declaration of Human Rights and other relevant UN documents. The UN Declaration of Human Rights and international labour laws such as ILO Conventions regarding forced or compulsory labour, as well as child labour, are a part of our CSR Policy and of our Supplier Code of Conduct. New and existing B2B suppliers agree to this Code of Conduct when doing business with Monjasa. Additionally, Monjasa's counterparty screening system covers human rights violations, allowing us to identify issues and to take action proactively if any incidents are reported.

During 2018, no violations of human rights among our suppliers or other business partners were reported to Group Management.

8.4 Social Responsibility

Social responsibility has been a part of the Monjasa Group DNA since the company's inception in 2002. The main purpose is to engage with passionate people and projects that lead to social or cultural developments in the communities where Monjasa has its core markets.

In 2018, Monjasa has engaged in various non-profit making projects – particularly focusing on children and young people. Examples of such projects include FANT (Football for A New Tomorrow) and Smile Train.

FANT is a Danish humanitarian organisation establishing and running ten amateur football clubs for youngsters in the West African country of Sierra Leone. FANT's purpose is to promote human rights, democracy and social development through its association activities.

Monjasa's collaboration with FANT consists of a three-year partnership making us main sponsors for the Hill Station Football Club in Freetown, one of FANT's in total 18 football clubs in Sierra Leone. To us, FANT is a leading example of how sport can establish relations and break boundaries between people despite different cultures, gender, ethnicities, religion, and social hierarchy, through one common interest – football.

Smile Train empowers local medical professionals with training, funding, and resources to provide 100%-free cleft surgery and comprehensive cleft care to children globally. Every year, one in 700 babies are born with a cleft lip or palate globally. Clefts are the leading birth defect in many developing countries, and it is estimated more than 200,000 babies are born with a cleft every year.

Monjasa has engaged in a two-year partnership to support Smile Train's local programmes in Panama. Through this collaboration, Monjasa will fully fund the hospital in Panama for the 50 surgeries they have planned for 2019. Monjasa employees will also be participating in employee engagement activities, including the "Miles for Smiles" runs in Panama and Denmark to help raise funds for Smile Train's programmes.

In addition to this, Monjasa supports various social developments, including local sports and performing arts activities in Denmark for the benefit of young people and the community as a whole.

8.5 Gender distribution

This section constitutes Monjasa's statement of compliance with the Danish Financial Statements Act, section 99 (b).

The Group is committed to providing equal opportunities at the workplace – we recruit and promote employees based solely on merit rather than focusing on gender equality. We take pride in having a more proportionate gender distribution in the organisation compared to the industry average.

The female composition of employees in the organisation in 2018 is at 31% (2017: 32%). The current representation reflects the shipping and IT consultancy industries at large. The female representation of managers in the Monjasa group increased from 19% in 2017 to 23% in 2018. While we are aware that the gender composition at manager levels is disproportionate relative to our overall employee gender ratio, we remain steadfast in our view that the most competent and suitable candidates have been selected for the job.

In line with current legislation to counteract the gender imbalance in boardrooms, Monjasa aims to introduce at least one female to the board by 2020, which will result in 20% female representation.
The gender composition in the Board of Directors did not change in 2018 as all the members were re-elected at the general assembly, hence no new members were elected. In an effort to achieve the 2020 gender composition of 20% female representation, Monjasa Holding will ensure that the under-represented gender is included on the list of candidates.

By the end of 2018, this goal has not been reached. In order to mitigate any form of unconscious bias, especially in the recruitment and promotion processes, the HR department is focusing on spreading awareness in these areas during leadership courses and relevant forums with managers.

9.0 MANAGEMENT SYSTEM CERTIFICATIONS

Monjasa maintains ISO 9001, ISO 14001, ISO 50001 and OHSAS 18001 certifications through a dedicated HSEQ department:

ISO 9001:2015 Quality Management

The purpose of this certification is to ensure we take appropriate action to ensure all features of the service we offer meet the needs and expectations of our customers.

ISO 14001:2015 Environmental Management

The purpose of this certification is to ensure we manage and minimise the impact and harmful effects our business activities pose on the environment.

ISO 50001:2011 Energy Management

The purpose of this certification is to ensure we manage our energy consumption and improve energy efficiency across our offices and operations.

OHSAS 18001:2007 Occupational Health and Safety Management

The purpose of this certification is to ensure sound management of health and safety risks posed on employees, whilst also ensuring the safety of those who work with us.

For all business partners, this means demonstration and assurance of Monjasa's constant focus on customer satisfaction, reduction of environmental risks and optimising the working environment.

By continuous monitoring, evaluation and documentation of our entire value chain, the Group is thereby reducing the overall risk profile. Monjasa's counterparts can thereby rely on doing business with a Group that systematically manages all risks associated to our worldwide activities.

10.0 INTELLECTUAL CAPITAL RESOURCES

Development in the Group leads to an increasing need for competent employees and a flexible organisation. Therefore, the Group spends increased resources towards attracting new talented employees and on retaining and training current ones. The Group operates a flat organisational structure characterised by close and open dialogue between Management and employees.

11.0 UNCERTAINTY RELATING TO RECOGNITION AND MEASUREMENT

Entities within the Group are currently involved in ongoing legal matters and claims handling. None of these cases, however, have the potential to materially affect our overall financial conditions, results of operations, and cash flow.

11.1 Trade receivables

Trade receivables are recognised at amortised cost less provisions for bad and doubtful debts. Provisions are made for assessed probable losses as well as on a general level. The receivables in the balance sheet are not insured in full and residual risk hence exists.

11.2 Receivables from associates

The Group has recognised a receivable from an associate of USD 6m (2017: USD 8.9m). Uncertainty exists regarding timing of the receivable due to local restrictions on transferring cash out of the jurisdiction.

11.3 Valuation of vessels

In 2018, the fleet of Group owned vessels has been assessed for possible impairment. There has not been identified any need to write-down any vessel due to these assessments.

Management assesses that there are no items in the financial statements which are subject to uncertainty that may have a significant impact on results and therefore on the true and fair view.

12.0 UNUSUAL CIRCUMSTANCES

The Group's financial position at 31 December 2018 as well as the results of the Group's operations and cash flows for the financial year 2018 are not affected by any unusual circumstance

13.0 INVESTMENTS IN SUBSIDIARIES

Solvency is maintained at an adequate level in all subsidiaries and therefore no additional capital injunction was required in 2018.

Solvency is maintained at an adequate level in all subsidiaries. Capital contributions were processed in 2018 to strengthen the solvency of the single entities.

14.0 SUBSEQUENT EVENTS

14.1 Changes in the business

No material changes to the business have occurred during 2019.

14.2 Capital resources

In early 2019, Monjasa has obtained further financing commitments to support the increasing bunker activities.

MOST
Monjasa Oil & Shipping Trainee

First batch of seven welcomed in 2018

Within a two-year period, our trainees will complete rotations at Monjasa's offices around the world and attend The Commercial Shipping Programme, at the Danish Shipping Academy in Denmark.

FINANCIAL STATEMENT

INCOME STATEMENT

	Note	Group 2018	Group 2017	Parent company 2018	Parent company 2017
		USD '000	USD '000	USD '000	USD '000
Revenue	1	2,073,229	1,407,332	0	0
Other operating income and expenses		330	-865	1,649	1,551
Cost of sales		-2,004,483	-1,335,240	0	0
Other external expenses		-19,978	-19,911	-4,457	-4,143
Gross profit/loss		**49,098**	**51,316**	**-2,808**	**-2,592**
Staff expenses	2	-32,851	-32,694	-2,133	-1,889
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment	3	-7,911	-12,091	-79	-126
Profit/loss before financial income and expenses		**8,336**	**6,531**	**-5,020**	**-4,607**
Income from investments in subsidiaries after tax	4	0	0	10,115	12,716
Financial income	5	2,125	2,334	424	21
Financial expenses	6	-7,622	-4,991	-1,044	-1,210
Profit/loss before tax		**2,839**	**3,874**	**4,475**	**6,920**
Tax on profit/loss for the year	7	2,019	2,893	610	752
Net profit/loss for the year	**8**	**4,858**	**6,767**	**5,085**	**7,672**

FINANCIAL STATEMENT

BALANCE SHEET
ASSETS

	Note	Group 2018	Group 2017	Parent company 2018	Parent company 2017
		USD '000	USD '000	USD '000	USD '000
Goodwill		2,693	3,136	0	0
Software and licences		2,862	2,830	0	0
Intangible assets	9	**5,555**	**5,966**	**0**	**0**
Land and buildings		4,609	4,858	0	0
Ships		59,357	67,041	0	0
Other fixtures and fittings, tools and equipment		1,986	3,224	104	208
Leasehold improvements		421	431	0	0
Tangible fixed assets	10	**66,373**	**75,554**	**104**	**208**
Investments in subsidiaries	11	0	0	121,482	120,982
Investments in associates	12	0	0	0	0
Other investments	13	243	243	0	0
Deposits	13	1,853	1,974	0	0
Other receivables	13	1,135	0	0	0
Fixed assets investments		**3,231**	**2,217**	**121,482**	**120,982**
Fixed assets		**75,159**	**83,737**	**121,586**	**121,190**
Inventories		**67,993**	**51,119**	**0**	**0**

FINANCIAL STATEMENT

BALANCE SHEET
ASSETS

	Note	Group 2018	Group 2017	Parent company 2018	Parent company 2017
		USD '000	USD '000	USD '000	USD '000
Trade receivables		210,584	159,785	49	0
Receivables from group enterprises		4,147	1,915	14,344	866
Receivables from associates		7,211	10,582	5,992	9,474
Other receivables	18	21,839	4,236	172	292
Tax receivables		212	2,696	0	780
Deferred tax asset	16	7,599	1,960	1,964	888
Prepayments	14	3,262	3,738	0	0
Receivables		**254,854**	**184,912**	**22,521**	**12,300**
Cash at bank and in hand		**18,731**	**19,266**	**1,560**	**111**
Current assets		**341,578**	**255,297**	**24,081**	**12,411**
Assets		**416,737**	**339,034**	**145,667**	**133,601**

FINANCIAL STATEMENT

BALANCE SHEET
LIABILITIES AND EQUITY

	Note	Group 2018	Group 2017	Parent company 2018	Parent company 2017
		USD '000	USD '000	USD '000	USD '000
Share capital	15	85	85	85	85
Reserve for net revaluation under the equity method		0	0	105,259	104,758
Retained earnings		115,585	119,950	11,459	16,097
Proposed dividend for the year		4,858	4,000	4,858	4,000
Equity		**120,528**	**124,035**	**121,661**	**124,940**
Credit institutions	17	0	3,868	0	0
Lease obligations	17	0	6,037	0	0
Other payables	17	5,884	0	0	0
Long-term debt		**5,884**	**9,905**	**0**	**0**

FINANCIAL STATEMENT

BALANCE SHEET LIABILITIES AND EQUITY

	Note	Group 2018	Group 2017	Parent company 2018	Parent company 2017
		USD '000	USD '000	USD '000	USD '000
Credit institutions	17	43,252	16,591	1	7
Lease obligations	17	2,299	1,053	0	36
Other payables	17	867	0	0	0
Prepayments received from customers		277	163	0	0
Trade payables		213,849	171,800	117	1,014
Payables to group enterprises		7,445	6,850	22,612	5,571
Payables to associated enterprises		177	0	0	0
Corporation tax		858	297	0	0
Other payables	18	21,301	8,340	1,276	2,033
Short-term debt		**290,325**	**205,094**	**24,006**	**8,661**
Debt		**296,209**	**214,999**	**24,006**	**8,661**
Liabilities and equity		**416,737**	**339,034**	**145,667**	**133,601**

	Note
Contingent assets, security, liabilities and other financial obligations	19
Fee to auditors appointed at the general meeting	20
Related parties and ownership	21
Events after the balance sheet date	22

FINANCIAL STATEMENT

STATEMENT OF CHANGES IN EQUITY

Group

	Share capital	Retained earnings	Proposed dividend for the year	Total
	USD '000	USD '000	USD '000	USD '000
Equity at 1 January 2018	85	119,950	4,000	124,035
Dividend paid	0	-2,750	-4,000	-6,750
Exchange adjustments relating to separate foreign legal entities	0	-1,615	0	-1,615
Net profit/loss for the year	0	0	4,858	4,858
Equity at 31 December 2018	**85**	**115,585**	**4,858**	**120,528**

Parent company

	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend for the year	Total
		USD '000	USD '000	USD '000	USD '000
Equity at 1 January 2018	85	104,759	16,097	4,000	124,941
Dividend paid	0	0	-2,750	-4,000	-6,750
Dividend received from investments in subsidiaries	0	-8,000	8,000	0	0
Exchange adjustments relating to separate foreign legal entities	0	-1,615	0	0	-1,615
Net profit/loss for the year	0	10,115	-9,888	4,858	5,085
Equity at 31 December 2018	**85**	**105,259**	**11,459**	**4,858**	**121,661**

FINANCIAL STATEMENT

CASH FLOW STATEMENT

	Note	2018	2017
		Group	
		USD '000	USD '000
Net profit/loss for the year		4,858	6,767
Adjustments	23	11,389	13,221
Change in working capital	24	-31,083	3,095
Cash flows from operating activities before financial income and expenses		**-14,836**	**23,083**
Financial income received		2,022	4,482
Financial expenses paid		-6,839	-10,628
Cash flows from ordinary activities		**-19,653**	**16,937**
Corporation tax received/paid		-532	228
Cash flows from operating activities		**-20,185**	**17,165**
Purchase of intangible assets		-983	-1,518
Purchase of property, plant and equipment		-8,424	-3,215
Sale of property, plant and equipment		8,885	1,569
Investment in subsidiaries		0	-3,963
Cash flows from investing activities		**-522**	**-7,127**
Proceeds from borrowings from credit institutions		39,072	4,102
Repayment of loans to credit institutions		-16,279	-29,365
Proceeds from borrowings from other loans		6,751	0
Change in receivables from group		-2,232	-1,915
Change in receivables from associates		3,371	1,789
Change in loans to group		595	6,850
Change in loans to associates		177	-3,968
Change in lease obligations		0	0
Repayments of lease obligations		-4,791	-1,804
Dividends paid		-6,750	0
Cash flows from financing activities		**19,914**	**-24,311**
Change in cash and cash equivalents		**-793**	**-14,273**
Cash and cash equivalents at 1 January		19,266	32,744
Exchange rate adjustments		258	795
Cash and cash equivalents at 31 December		**18,731**	**19,266**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

1 Segment information	Group
	Revenue
	USD '000
Business segment 2018	
Oil	2,051,405
Offshore wind	9,548
Other	12,276
	2,073,229
Business segment 2017	
Oil	1,380,784
Offshore wind	26,548
	1,407,332

2 Staff expenses	Group		Parent company	
	2018	2017	2018	2017
	USD '000	USD '000	USD '000	USD '000
Wages and salaries	31,407	31,495	2,040	1,803
Pensions	1,202	889	92	84
Other social security expenses	242	310	1	2
	32,851	**32,694**	**2,133**	**1,889**
Including remuneration to the Executive management of:	2,040	1,629	2,040	1,629
Including remuneration to the Board of Directors of:	254	364	254	364
Average number of employees	**456**	**635**	**5**	**4**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	Group	
	2018	2017
	USD '000	USD '000
Software and licenses	950	714
Goodwill	443	216
Land and buildings	249	250
Ships	4,671	8,996
Other fixtures and fittings, tools and equipment	1,394	1,697
Leasehold improvements	204	218
	7,911	**12,091**

4 Income from investments in subsidiaries after tax	Parent company	
	2018	2017
	USD '000	USD '000
Share of profits of subsidiaries after tax	10,115	12,716
	10,115	**12,716**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

5 Financial income	Group		Parent company	
	2018	2017	2018	2017
	USD '000	USD '000	USD '000	USD '000
Interest income from group enterprises	134	0	338	19
Exchange adjustments	272	0	82	0
Other financial income	1,719	2,334	4	2
	2,125	**2,334**	**424**	**21**

6 Financial expenses				
	2018	2017	2018	2017
	USD '000	USD '000	USD '000	USD '000
Interest expenses to group enterprises	102	0	983	299
Exchange adjustments	411	397	0	891
Other financial expenses	7,109	4,594	61	20
	7,622	**4,991**	**1,044**	**1,210**

7 Tax on profit/loss for the year				
	2018	2017	2018	2017
	USD '000	USD '000	USD '000	USD '000
Current tax for the year	852	-2,428	0	-786
Deferred tax for the year	-2,860	-634	-604	21
Adjustment of tax concerning previous years	924	216	42	13
Adjustment of deferred tax concerning previous years	-935	-47	-48	0
Total tax for the year	**-2,019**	**-2,893**	**-610**	**-752**

8 Distribution of profit	Parent company	
	2018	2017
	USD '000	USD '000
Proposed dividend for the year	4,858	4,000
Reserve for net revaluation under the equity method	10,115	12,715
Retained earnings	-9,888	-9,043
	5,085	**7,672**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

9 Intangible assets

	Group	
	Software and licenses	**Goodwill**
	USD '000	USD '000
Cost at 1 January	5,239	3,632
Net exchange adjustment	0	0
Additions for the year	983	0
Disposals for the year	0	0
Cost at 31 December	**6,222**	**3,632**
Impairment losses and amortisation at 1 January	2,409	496
Net exchange adjustment	1	0
Amortisation for the year	950	443
Reversal of amortisation of disposals	0	0
Impairment losses and amortisation at 31 December	**3,360**	**939**
Carrying amount at 31 December	**2,862**	**2,693**
Amortised over	5-8 years	5-10 years

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

10 Property, plant and equipment

	Group			
	Land and buildings	**Ships**	**Other fixtures and fittings, tools and equipment**	**Leasehold improvements**
	USD '000	USD '000	USD '000	USD '000
Cost at 1 January	5,976	92,680	9,887	1,454
Investment in subsidiaries	0	0	0	0
Net exchange adjustment	0	-2,850	-30	19
Additions for the year	0	7,688	545	191
Disposals for the year	0	-22,329	-743	0
Cost at 31 December	**5,976**	**75,189**	**9,659**	**1,664**
Impairment losses and depreciation at 1 January	1,118	25,639	6,663	1,023
Investment in subsidiaries	0	0	0	0
Net exchange adjustment	0	-858	13	16
Impairment losses for the year	0	0	0	0
Depreciation for the year	249	4,671	1,394	204
Reversal of impairment and depreciation of disposals	0	-13,620	-397	0
Impairment losses and depreciation at 31 December	**1,367**	**15,832**	**7,673**	**1,243**
Carrying amount at 31 December	**4,609**	**59,357**	**1,986**	**421**
Depreciated over	20 years	3-11 years	5 years	4-5 years
Including assets (all categories) under finance leases amounting to				3,957

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

11 Investments in subsidiaries

	Parent company	
	2018	**2017**
	USD '000	USD '000
Cost at 1 January	16,223	14,223
Additions for the year	0	2,000
Cost at 31 December	**16,223**	**16,223**
Revaluations at 1 January	104,759	101,772
Net exchange adjustment	-1,615	4,271
Net profit/loss for the year	10,115	12,716
Dividends to the Parent company	-8,000	-14,000
Revaluations at 31 December	**105,259**	**104,759**
Carrying amount at 31 December	**121,482**	**120,982**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

11 Investments in subsidiaries

Name	Place of registered office	Votes and ownership
Downstream Holding A/S	Fredericia, Denmark	100%
Monjasa A/S	Fredericia, Denmark	100%
RelateIT A/S	Odense, Denmark	100%
Monjasa Inc	Connecticut, USA	100%
Monjasa DMCC	Dubai, United Arabic Emirates	100%
Monjasa Chartering DMCC	Dubai, United Arabic Emirates	100%
Monjasa Chartering II DMCC	Dubai, United Arabic Emirates	100%
Montec Ship Management DMCC	Dubai, United Arabic Emirates	100%
Monjasa Marine LLC	Dubai, United Arabic Emirates	33%
Biamark (PTY) Ltd	Windhoek, Namibia	55%
Monjasa SARLU	Pointe-Noire, Republic of Congo	100%
Monjasa Pte Ltd	Singapore	100%
Monjasa S.A	Panama, Panama	100%
Monjasa MHQ S.A	Panama, Panama	100%
Monjasa PTY, S.A.	Panama, Panama	100%
Monjasa S.A. de C.V.	Mexico City, Mexico	100%
Monjasa LTD	Limassol, Cyprus	100%
Monjasa LTD	London, United Kingdom	100%
Midstream Holding A/S	Fredericia, Denmark	100%
Monjasa Trading DMCC	Dubai, United Arabic Emirates	100%
Logistics Holding A/S	Fredericia, Denmark	100%
African Runner Shipping ApS	Fredericia, Denmark	100%
African Chaser Shipping ApS	Fredericia, Denmark	100%
African Sprinter Shipping ApS	Fredericia, Denmark	100%
Skaw Provider Shipping ApS	Fredericia, Denmark	100%
Monjasa Chartering ApS	Fredericia, Denmark	100%
Energizer Shipping ApS	Fredericia, Denmark	100%
Monjasa Nordics ApS	Fredericia, Denmark	100%
C-bed Holding BV	Amsterdam, The Netherlands	100%
C-bed BV	Amsterdam, The Netherlands	100%
C-bed II BV	Amsterdam, The Netherlands	100%
C-bed III BV	Amsterdam, The Netherlands	100%
C-bed IV BV	Amsterdam, The Netherlands	100%
C-bed Chartering BV	Amsterdam, The Netherlands	100%
C-bed A/S	Fredericia, Denmark	100%
First Arctic A/S	Fredericia, Denmark	67%

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

12 Investments in associates

	Parent company	
	2018	**2017**
	USD '000	USD '000
Cost at 1 January	2	2
Additions for the year	0	0
Cost at 31 December	**2**	**2**
Impairment losses and amortisation at 1 January	2	2
Net exchange adjustment	0	0
Net profit/loss for the year	0	0
Revaluations at 31 December	**2**	**2**
Carrying amount at 31 December	**0**	**0**

Name	Place of registered office	Votes and ownership
Monjasa LDA	Angola	49%
Monjasa (PTY) Ltd	Namibia	35%

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

13 Other fixed asset investments

	Group		
	Other investments	**Deposits**	**Other receivables**
	USD '000	USD '000	USD '000
Cost at 1 January	243	1,974	0
Net exchange adjustments	0	-52	0
Additions for the year	0	196	1,632
Disposals during the year	0	-265	-497
Cost at 31 December	**243**	**1,853**	**1,135**
Carrying amount at 31 December	**243**	**1,853**	**1,135**

14 Prepayments

Prepayments consist of prepaid expenses concerning rent, chartering, insurance premiums, subscriptions, and interest.

15 Share capital

The share capital consists of 500,000 shares of a nominal value of DKK 1. No shares carry any special rights.

There has not been any changes to this composition in the last 5 years.

16 Deferred tax for the year	Group		Parent company	
	2018	**2017**	**2018**	**2017**
	USD '000	USD '000	USD '000	USD '000
Deferred tax primo	-1,960	2,086	-888	1
Change during the year	-2,860	-634	-604	20
Adjustment concerning previous years recognised in the income statement	-935	-47	-48	0
Adjustment concerning previous years	-1,844	-3,365	-424	-909
Total deferred tax for the year	**-7,599**	**-1,960**	**-1,964**	**-888**

Deferred tax relates to temporary differences on tangible and intangible assets, financial instruments and tax losses carried forward.

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

17 Financing	Group		Parent company	
	2018	2017	2018	2017
	USD '000	USD '000	USD '000	USD '000
Credit institutions				
Between 1 and 5 years	0	3,868	0	0
Long-term part	**0**	**3,868**	**0**	**0**
Credit institutions with credit lines	43,252	8,586	1	6
Other short-term debt to credit institutions within 1 year	0	8,005	0	0
Short-term part	**43,252**	**16,591**	**1**	**6**
	43,252	**20,459**	**1**	**6**
Lease obligations				
Between 1 and 5 years	0	6,037	0	0
Long-term part	**0**	**6,037**	**0**	**0**
Within 1 year	2,299	1,053	0	36
Short-term part	**2,299**	**1,053**	**0**	**36**
	2,299	**7,090**	**0**	**36**
Other payables				
Between 1 and 5 years	5,884	0	0	0
Long-term part	**5,884**	**0**	**0**	**0**
Within 1 year	867	0	0	0
Short-term part	**867**	**0**	**0**	**0**
	6,751	**0**	**0**	**0**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

18 Derivative financial instruments		Group	
		2018	2017
	Net volume	Net value	Net value
	M tonnes	USD '000	USD '000
Derivaties used for fair value hedging of inventory			
Derivatives maturing within 0-3 months	-23	935	-57
Derivatives maturing within 3-12 months	0	0	-88
Derivaties used for fair value hedging of firm commitments			
Derivatives maturing within 0-3 months	51	-7,503	0
Derivatives maturing within 3-12 months	67	-3,547	0
	95	**-10,115**	**-145**

Explanatory notes for firm commitments		Group	
		2018	2017
	Net volume	Net value	Net value
	M tonnes	USD '000	USD '000
Firm commitments effectually hedge with derivatives	114	15,266	0
	114	**15,266**	**0**

The Group has no unhedged firm commitments.

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

19 Rental and lease agreements, contingent liabilities, security and other financial information

GROUP

Rental agreements and leases

The Group has assumed operating lease obligations which at 31 December 2018 amounts to USD 11.3m (2017: USD 13.3m) in the period of non-terminability of up to 72 months (2017: 84 months).

The Group has assumed charter hire obligations which at 31 December 2018 amount to USD 15.4m (2017: USD 17.4m).

Security

The company and its subsidiaries have issued guarentees towards financial institutions in respect of loans which amount to USD 43m at the balance sheet date (2017: USD 28m).

The guarantees consist of the following collaterals: receivables, inventory, stocks, vessels and floating charge.

PARENT COMPANY

Contingent liabilities

The Parent Company has assumed joint liability for the debts and obligations of all the subsidiaries placed in The Netherlands.

Joint tax

As from 30 August 2017 Endeavour Invest ApS is the management company for the Danish jointly, taxed companies. The management company has unlimited, joint and several liability together with the other jointly taxed companies for all corporate income taxes arising under the joint taxation scheme. Corporate income tax payable for the Danish jointly taxed companies amounted to USD 0m at 31 December 2018 (2017: USD 0m).

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

20 Fee to auditors appointed at the general meeting		Group
	2018	2017
	USD '000	USD '000
Audit fee	543	533
Tax advisory services	16	1
Other assurance services	0	0
Non-audit services	46	145
	605	**679**

21 Related parties

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

The Company is included in the Consolidated Financial Statement of the immediate Parent Company, Endeavour Invest Aps, Fredericia, Denmark.

Other related parties

Christian Merrild	Chairman of the Board of Directors
Tage Benedikt Bundgaard	Member of the Board of Directors
Flemming Edvard Ipsen	Member of the Board of Directors
Anders Østergaard	Chief Executive Officer and member of the Board of Directors
Svend Stenberg Mølholt	Chief Operating Officer

22 Events after the balance sheet date

No events have occurred after the balance sheet date that may materially impact the Group's financial position.

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

23 Cash flow statement adjustments		Group
	2018	2017
	USD '000	USD '000
Financial income	2,125	2,334
Financial expenses	-7,622	-4,991
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-7,911	-12,091
Depreciation on current asset	0	-1,366
Tax on profit/(loss) for the year	2,019	2,893
	-11,389	**-13,221**

24 Cash flow statement - change in working capital		Group
	2018	2017
	USD '000	USD '000
Change in inventories	-16,874	3,127
Change in receivables	-58,117	-42,763
Change in trade payables, etc.	43,908	42,731
	-31,083	**3,095**

ACCOUNTING POLICIES

BASIS OF PREPARATION
The Annual Report of Monjasa Holding A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C, unchanged from 2017, except for recognition of effectively hedged firm commitments.

CHANGES IN ACCOUNTING POLICIES
The accounting policies applied has been changed in accordance with the changes to the Danish Financial Statements Act section 37 a effective from 2020. Monjasa Holding A/S has pre-implemented the changes to the Danish Financial Statements Act, and as such hedged firm commitments from contracts with customers of delivery of oil at a predefined volume, port, period and price are recognised at their fair value.

Reference is made to note 18 showing the fair value of firm commitments recognised at 31 December 2018 and 2017 as well as the derivatives entered into in order to effectively hedge the firm commitments.

RECOGNITION AND MEASUREMENT
The Financial Statements have been prepared under the historical cost method.

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

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

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

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

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 the addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

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

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

(USD in 2018: 6.53, 2017: 6.21)

BASIS OF CONSOLIDATION
The Consolidated Financial Statements comprise the parent company Monjasa Holding A/S and subsidiaries in which the parent company directly or indirectly holds more than 50% of the votes or in which the parent company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The parent company's investments in the consolidated subsidiaries are set off against the parent company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities have been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill.

Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

ACCOUNTING POLICIES

Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Amortisation of goodwill is recognised in "Amortisation, depreciation, and impairment losses".

MINORITY INTERESTS
On statement of Group results and Group equity, the shares of results and equity of subsidiaries attributable to minority interests are recognised as separate items in the income statement and the balance sheet. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.On subsequent changes to minority interests, the changed share is included in results as of the date of change.

LEASES
Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments, computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group. The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

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

DERIVATIVE FINANCIAL INSTRUMENTS
On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset, a recognised liability or a firm commitment are recorded in the income statement together with the changes in the value of the hedged items. Firm commitments are confirmed sales contracts for delivery of oil at a predefined volume, port, period and price.

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

Receivables, payables, and other monetary items in foreign currencies that have not been settled at the balance sheet date 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. Please see the section on derivative financial instruments.

Income statements of foreign subsidiaries and associates that are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange rate adjustments arising at the translation of the opening equity and exchange rate adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

INCOME STATEMENT REVENUE
Revenue from the sale of oil and delivery of transport services is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined and payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

COST OF SALES
Expenses for cost of sales comprise the raw materials and consumables consumed to achieve revenue for the year.

OTHER OPERATING INCOME AND EXPENSES
Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises, including gains and losses on the sale of intangible assets and property, plant and equipment.

OTHER EXTERNAL EXPENSES
Other external expenses comprise expenses for sale, marketing, administration, premises, bad debts, etc.

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

DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS
Depreciation, amortisation, and impairment losses comprise amortisation, depreciation, and impairment of intangible assets, property, plant, and equipment.

INCOME FROM INVESTMENTS IN SUBSIDIARIES
The items "Income from investments in subsidiaries after tax" in the income statement include the proportionate share of the profit for the year less goodwill amortisation.

ACCOUNTING POLICIES

FINANCIAL INCOME AND EXPENSES
Financial income and expenses comprise interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme, and settlements of and unrealised fair value adjustments from derivatives, hedge oil inventories and firm commitments.

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

TAX ON PROFIT/LOSS FOR THE YEAR
Tax for the year consist of current tax for the year and adjustment of deferred tax for the year. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

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

BALANCE SHEET

INTANGIBLE ASSETS GOODWILL
Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas.

SOFTWARE AND LICENSES
Software is measured at cost, less any accumulated amortisation and impairment losses or at a lower recoverable amount.

Software is amortised over the remaining software period or a shorter useful life.

PROPERTY, PLANT AND EQUIPMENT
Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Periodical costs for docking is amortised over the expected period remaining until next docking.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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

Land and building	20 years
Ships	3 - 15 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	4 - 5 years

Assets costing less than DKK 12,900 are expensed in the year of acquisition.

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

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

The items “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

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

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the parent company to cover the negative balance of the enterprise is recognised in provisions.

OTHER INVESTMENTS
Other investments are measured at cost price.

DEPOSITS
Deposits are recognised at cost price.

INVENTORIES
Inventories are measured at the lower of cost under the weighted average method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.
The cost of goods for resale, raw materials and consumables equals landed cost.

ACCOUNTING POLICIES

Tangible fixed assets are reclassified to inventory when an agreement of sale of the asset has been made, but not yet effected, and the asset is no longer in use. Depreciation of the asset continues until disposal. Any impairment recognised after being reclassified to inventory is recognised in the income statement as "Other operating income and expenses".

PREPAYMENTS
Prepayments are measured at cost and comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

RECEIVABLES
Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

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

CURRENT TAX AND DEFERRED TAX ASSETS AND LIABILITIES
Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

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

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised.

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

PROVISIONS
Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation. Provisions include, amongst others, the expected loss risk on pending court cases.

FINANCIAL DEBTS
Fixed-interest loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

OTHER DEBTS AND PAYABLES
Other debts and payables are measured at amortised cost, substantially corresponding to nominal value.

CASH FLOW STATEMENT
The cash flow statement shows the Group's cash flows for the year, broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the parent company, as the parent company cash flows are included in the Consolidated Cash Flow Statement.

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

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

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

CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT
Cash and cash equivalents comprise "Cash at bank and in hand".

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

EXPLANATION OF FINANCIAL RATIOS

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

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

$$\text{Return on assets} = \frac{\text{Profit before financials x 100}}{\text{Total assets}}$$

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

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

We are Monjasa in every port. Vi er Monjasa i hver havn. Nous sommes Monjasa dans chaque port. نحن Monjasa في كل ميناء Somos Monjasa en cada puerto. Siamo Monjasa in ogni porto. We zijn Monjasa in elke haven Mes esam Monjasa katra osta. Olemme Monjasa joka satamassa. Við erum Monjasa í hverjum höfn. Wir sind Monjasa in jedem Hafen. Her limanda Monjasa vardır. Mi smo Monjasa u svakoj luci. Kita Monjasa. Di setiap pelabuhan. Isika rehetra. Monjasa amin'ny seranan-tsambo. Mi smo Monjasa u svakoj luci. Kami Monjasa sa bawat port 我々は、すべてのポートで Monjasa です. We are Monjasa in every port. Vi er Monjasa i hver havn. Nous sommes Monjasa dans chaque port. نحن Monjasa في كل ميناء Somos Monjasa en cada puerto. Siamo Monjasa in ogni porto. We zijn Monjasa in elke haven Mes esam Monjasa katra osta. Olemme Monjasa joka satamassa. Við erum Monjasa í hverjum höfn. Wir sind Monjasa in jedem Hafen. Her limanda Monjasa vardır. Mi smo Monjasa u svakoj luci. Kita Monjasa. di setiap pelabuhan. Isika rehetra. Monjasa amin'ny seranan-tsambo. Mi smo Monjasa u svakoj luci. Kami Monjasa sa bawat port 我々は、すべてのポートで Monjasa です. We are Monjasa in every port. Vi er Monjasa i hver havn. Nous sommes Monjasa dans chaque port. نحن Monjasa في كل ميناء Somos Monjasa en cada puerto. Siamo Monjasa in ogni porto. We zijn Monjasa in elke haven Mes esam Monjasa katra osta. Olemme Monjasa joka satamassa. Við erum Monjasa í hverjum höfn. Wir sind Monjasa in jedem Hafen. Her limanda Monjasa vardır. Mi smo Monjasa u svakoj luci. Kita Monjasa. Di setiap pelabuhan. Isika rehetra. Monjasa amin'ny seranan -tsambo. Mi smo Monjasa u svakoj luci. Kami Monjasa sa bawat port. 我々は、すべてのポートで Monjasa です

We are Monjasa in every port

Americas   Europe   Middle East & Africa   Southeast Asia

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