Endeavour Invest ApS

Strevelinsvej 34
7000 Fredericia
Central Business Registration
No 27309224

Annual report 2018

The Annual General Meeting adopted the annual report on 31.05.2019

Chairman of the General Meeting

Name: Anders Østergaard

Contents

Entity details

Entity

Endeavour Invest ApS

Strevelinsvej 34

7000 Fredericia

Central Business Registration No (CVR): 27309224

Registered in: Fredericia

Financial year: 01.01.2018 - 31.12.2018

Executive Board

Anders Østergaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagens S

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Endeavour Invest ApS for the financial year 01.01.2018 - 31.12.2018.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Fredericia, 31.05.2019

Executive Board

Anders Østergaard

Independent auditor's report

To the shareholder of Endeavour Invest ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Endeavour Invest ApS 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 Entity'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.

Auditor's responsibilities for 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.

Independent auditor's report

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 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 Entity’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 Entity’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 commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary 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 commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 31.05.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Lars Siggaard Hansen
State Authorised Public Accountant
Identification No (MNE) mne32208

Kåre Valtersdorf
State Authorised Public Accountant
Identification No (MNE) mne34490

Management commentary

	2018 USD'000	2017 USD'000	2016 USD'000
Financial highlights			
Key figures			
Revenue	2.073.229	496.650	0
Gross profit/loss	49.073	21.128	(5)
Operating profit/loss	8.311	4.578	(5)
Net financials	(3.737)	4.871	(12.820)
Profit/loss for the year	6.768	11.324	(12.846)
Profit/loss for the year excl minority interests	6.768	11.324	(12.846)
Total assets	414.162	338.231	60.376
Investments in property, plant and equipment	8.424	122.137	0
Equity	79.429	74.272	60.373
Equity excl minority interests	79.429	74.186	60.373
Average numbers of employees	456	635	0
Ratios			
Gross margin (%)	2,4	4,3	-
Net margin (%)	0,3	2,3	-
Return on equity (%)	8,8	16,8	(21,3)
Equity ratio (%)	19,2	21,9	100,0

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Endeavour Invest ApS acquired the remaining 50% shares of Monjasa Holding A/S and Multipple Holding ApS as of 30.08.2017, thus obtaining control of Monjasa Holding A/S and Multiple Holding ApS. As a consequence the comparative figures in the profit and loss statement only include the operations from the time of acquisition. Consequently, the financial highlights include 12 months activity in 2018 and 4 months in 2017.

Ratios	**Calculation formula**	**Calculation formula reflects**
Gross margin (%)	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year excl minority interests x 100}}{\text{Average equity excl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity excl minority interests x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities
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.

Multiple Holding Group
The main activity in Multiple Holding Group is to invest in subsidiaries and associated companies.

Development in activities and finances
Group operations (EBIT) reached USD 8.3m in 2018 (2017: USD 4.6m), which is satisfactory. The Group's operating result was positively impacted by increasing volumes.

The net result after tax for 2018 amounts to USD 6.8m which is in line with expectations set in the annual report 2017. At 31 December 2018 equity amounts to USD 79m, making the 2018 return on equity 8.8% (2017: 16.8%) which is satisfactory.

Overall, Management considers the net result of 2018 satisfactory.

ENDEAVOUR INVEST ApS

Endeavour Invest ApS consists of two separate groups Monjasa Group and Multiple Holding Group each with their own independent management and decision-making authority.

The main activities are in the Monjasa Group being bunker oil trading, tanker operation, and offshore wind, while the main activity in Multiple Holding Group is to invest in subsidiaries and associated companies with various, minor activities.

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.

Management commentary

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 turbine 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.

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).

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.

Tanker vessel activity

In 2018, the tanker vessel activity consisted of single ship owning companies, and companies chartering vessels from external shipowners, 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).

Management commentary

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 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.

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.

Uncertainty relating to recognition and measurement
Entities within Monjasa 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.

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.

Receivables from associates
In Monjasa Group there has been recognised a receivable from an associate of USD 6m (2017: USD 6.9m). Uncertainty exists regarding timing of the receivable due to local restrictions on transferring cash out of the jurisdiction.

Valuation of vessels
In 2018, the fleet in Monjasa Group of 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.

INVESTMENTS IN SUBSIDIARIES

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

Management commentary

Outlook

Strategy

The main activity of the Group is to invest in subsidiaries and associated companies primarily comprising sale, purchase, and transportation of oil products for the maritime industry and chartering of accommodation vessels to the offshore wind sector. Supporting activities relate to the operation of vessels and associated activities.

Targets and Expectationss for 2019

Monjasa Group

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.

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 Monjasa Group's bunker oil activity.

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 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.

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.

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 (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.

Management commentary

Multiple Holding Group
The net result for Multiple Holding Group is expected to be at a level similar to 2018.

Endeavour Invest ApS
The net result for Endeavour Invest ApS is expected to be at a level similar to 2018.

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.

The equity ratio decreased to 19.2% 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.

Particular risks
Operating risks

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.

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, and thus the risk is to a higher degree reflected by the relative strength between customer and supplier, than by the customers' ability to pay. As the wind industry is generally favoured by state grants, the industry is to some extent exposed to potential political intervention.

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.

Management commentary

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.

Financial risks

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 the Group's commitment to efficiently hedge any oil price exposure of the Group.

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.

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.

Credit risks
Granting credit to counterparts represents a risk in the oil and shipping industry. 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.

Intellectual capital resources
This only concerns Monjasa Group as there are no employees in Multiple Holding Group.

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

Management commentary

Environmental performance

Management System Certifications regards only Monjasa Group who 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 client satisfaction, reduction of environmental risks and optimising the working environment.

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

Statutory report on corporate social responsibility

This section is Endeavour Holding ApS' statement of compliance with the Danish Financial Statements Act, section 99 (a) and regards the activities in Monjasa Holding Group.

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.

Management commentary

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 spread 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.

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.

Environmental Management (ISO 14001:2015)

In 2018, the Group delivered 4.1 million mts of marine fuel and experienced zero environmental incidents on our vessel/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 programs and raising awareness on this issue, we plan to continue raising awareness during 2019.

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 clients and crew.

Management commentary

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 compliance 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 members of staff. 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.

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.

Management commentary

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).

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.

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.

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

Management commentary

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.

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.

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.

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

Management commentary

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.

Statutory report on the underrepresented gender
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.

Events after the balance sheet date
Changes in the business
No material changes in the business have occurred during 2019.

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

Consolidated income statement for 2018

	Notes	2018 USD'000	2017 USD'000
Revenue	1	2.073.229	496.650
Other operating income		319	7.035
Cost of sales		(2.004.483)	(474.019)
Other external expenses	2	(19.992)	(8.538)
Gross profit/loss		**49.073**	**21.128**
Staff costs	3	(32.851)	(11.706)
Depreciation, amortisation and impairment losses	4	(7.911)	(4.844)
Operating profit/loss		**8.311**	**4.578**
Income from investments in associates		0	4.373
Other financial income	5	4.355	2.424
Other financial expenses	6	(8.092)	(1.926)
Profit/loss before tax		**4.574**	**9.449**
Tax on profit/loss for the year	7	2.194	1.875
Profit/loss for the year	8	**6.768**	**11.324**

Consolidated balance sheet at 31.12.2018

	Notes	2018 USD'000	2017 USD'000
Acquired rights		2.862	2.830
Goodwill		2.693	3.136
Intangible assets	9	**5.555**	**5.966**
Land and buildings		4.609	4.858
Ships		59.357	67.041
Other fixtures and fittings, tools and equipment		1.986	3.224
Leasehold improvements		421	431
Property, plant and equipment	10	**66.373**	**75.554**
Other investments		243	243
Deposits		1.853	1.974
Other receivables		1.135	0
Fixed asset investments	11	**3.231**	**2.217**
Fixed assets		**75.159**	**83.737**
Manufactured goods and goods for resale		67.993	51.120
Inventories		**67.993**	**51.120**
Trade receivables		210.584	159.770
Receivables from associates		7.211	9.711
Deferred tax	12	7.728	1.978
Other receivables		23.272	5.917
Income tax receivable		213	2.704
Prepayments		3.262	3.724
Receivables		**252.270**	**183.804**
Cash		**18.740**	**19.570**
Current assets		**339.003**	**254.494**
Assets		**414.162**	**338.231**

Consolidated balance sheet at 31.12.2018

	Notes	2018 USD'000	2017 USD'000
Contributed capital		19	19
Retained earnings		79.410	74.167
Equity attributable to the Parent's owners		**79.429**	**74.186**
Share of equity attributable to minority interests		**0**	**86**
Equity		**79.429**	**74.272**
Bank loans		0	3.868
Finance lease liabilities		0	6.037
Other payables		37.982	57.504
Non-current liabilities other than provisions	13	**37.982**	**67.409**
Current portion of long-term liabilities other than provisions	13	16.658	9.058
Bank loans		43.252	8.586
Prepayments received from customers		277	163
Trade payables		213.853	171.811
Payables to associates		177	0
Income tax payable		858	329
Other payables		21.676	6.603
Current liabilities other than provisions		**296.751**	**196.550**
Liabilities other than provisions		**334.733**	**263.959**
Equity and liabilities		**414.162**	**338.231**
Financial instruments	15		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Transactions with related parties	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2018

	Contributed capital USD'000	Retained earnings USD'000	Share of equity attributable to minority interests USD'000	Total USD'000
Equity beginning of year	19	74.167	86	74.272
Exchange rate adjustments	0	(1.611)	0	(1.611)
Transfer to reserves	0	86	(86)	0
Profit/loss for the year	0	6.768	0	6.768
Equity end of year	**19**	**79.410**	**0**	**79.429**

Consolidated cash flow statement for 2018

	Notes	2018 USD'000	2017 USD'000
Operating profit/loss		8.311	4.587
Amortisation, depreciation and impairment losses		7.911	4.844
Working capital changes	14	(24.674)	(17.403)
Cash flow from ordinary operating activities		**(8.452)**	**(7.972)**
Financial income received		4.252	2.424
Financial expenses paid		(7.309)	(1.282)
Income taxes refunded/(paid)		(532)	204
Cash flows from operating activities		**(12.041)**	**(6.626)**
Acquisition etc of intangible assets		(983)	(4.543)
Sale of intangible assets		0	13
Acquisition etc of property, plant and equipment		(8.424)	(56)
Sale of property, plant and equipment		8.885	1.185
Acquisition of enterprises		0	(24.726)
Loans		(1.135)	0
Other adjustments		0	(90)
Cash flows from investing activities		**(1.657)**	**(28.217)**
Loans raised		45.823	54.762
Repayments of loans etc		(28.193)	0
Reduction of lease commitments		(4.791)	(551)
Cash flows from financing activities		**12.839**	**54.211**
Increase/decrease in cash and cash equivalents		**(859)**	**19.368**
Cash and cash equivalents beginning of year		19.570	202
Currency translation adjustments of cash and cash equivalents		29	0
Cash and cash equivalents end of year		**18.740**	**19.570**

Notes to consolidated financial statements

	2018 USD'000	2017 USD'000
1. Revenue		
Oil	2.051.405	489.349
Offshore wind	9.548	7.301
Other	12.276	0
	2.073.229	**496.650**

	2018 USD'000	2017 USD'000
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	553	583
Tax services	16	1
Other services	46	145
	615	**729**

	2018 USD'000	2017 USD'000
3. Staff costs		
Wages and salaries	31.407	11.277
Pension costs	1.202	318
Other social security costs	242	111
	32.851	**11.706**
Average number of employees	**456**	**635**

According to section 98b, subsection 3 of the Danish Financial Statements Act information on management's remuneration is not disclosed.

	2018 USD'000	2017 USD'000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1.393	467
Depreciation of property, plant and equipment	6.518	4.377
	7.911	**4.844**

	2018 USD'000	2017 USD'000
5. Other financial income		
Other interest income	4	1.720
Exchange rate adjustments	2.628	704
Other financial income	1.723	0
	4.355	**2.424**

Notes to consolidated financial statements

6. Other financial expenses	2018 USD'000	2017 USD'000
Other interest expenses	506	1.542
Exchange rate adjustments	444	384
Other financial expenses	7.142	0
	8.092	**1.926**

7. Tax on profit/loss for the year	2018 USD'000	2017 USD'000
Current tax	851	(1.152)
Change in deferred tax	(2.987)	(723)
Adjustment concerning previous years	(58)	0
	(2.194)	**(1.875)**

8. Proposed distribution of profit/loss	2018 USD'000	2017 USD'000
Retained earnings	6.768	11.324
	6.768	**11.324**

9. Intangible assets	Acquired rights USD'000	Goodwill USD'000
Cost beginning of year	5.239	3.632
Additions	983	0
Cost end of year	**6.222**	**3.632**
Amortisation and impairment losses beginning of year	(2.409)	(496)
Exchange rate adjustments	(1)	0
Amortisation for the year	(950)	(443)
Amortisation and impairment losses end of year	**(3.360)**	**(939)**
Carrying amount end of year	**2.862**	**2.693**

Notes to consolidated financial statements

	Land and buildings USD'000	Ships USD'000	Other fixtures and fittings, tools and equipment USD'000	Leasehold improve-ments USD'000
10. Property, plant and equipment				
Cost beginning of year	5.976	92.680	9.887	1.454
Exchange rate adjustments	0	(2.850)	(30)	19
Additions	0	7.688	545	191
Disposals	0	(22.329)	(743)	0
Cost end of year	**5.976**	**75.189**	**9.659**	**1.664**
Depreciation and impairment losses beginning of year	(1.118)	(25.639)	(6.663)	(1.023)
Exchange rate adjustments	0	858	(13)	(16)
Depreciation for the year	(249)	(4.671)	(1.394)	(204)
Reversal regarding disposals	0	13.620	397	0
Depreciation and impairment losses end of year	**(1.367)**	**(15.832)**	**(7.673)**	**(1.243)**
Carrying amount end of year	**4.609**	**59.357**	**1.986**	**421**
Recognised assets not owned by entity	**-**	**3.957**	**-**	**-**

	Other investments USD'000	Deposits USD'000	Other receivables USD'000
11. Fixed asset investments			
Cost beginning of year	243	1.974	0
Exchange rate adjustments	0	(52)	0
Additions	0	196	1.632
Disposals	0	(265)	(497)
Cost end of year	**243**	**1.853**	**1.135**
Carrying amount end of year	**243**	**1.853**	**1.135**

Notes to consolidated financial statements

	2018 USD'000
12. Deferred tax	
Changes during the year	
Beginning of year	1.978
Change during the year	2.987
Adjustment concerning previous years recognised in the income statement	935
Adjustment concerning previous years	1.828
End of year	**7.728**

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

Recognition of deferred tax assets are based on expected future earnings within the next 3-5 years.

Adjustment concerning previous years of USD 1.828 thousand concerns movement between deferred tax and income tax receivable.

	Due within 12 months 2018 USD'000	Due within 12 months 2017 USD'000	Due after more than 12 months 2018 USD'000
13. Liabilities other than provisions			
Bank loans	0	8.005	0
Finance lease liabilities	2.299	1.053	0
Other payables	14.359	0	37.982
	16.658	**9.058**	**37.982**

Notes to consolidated financial statements

	2018 USD'000	2017 USD'000
14. Change in working capital		
Increase/decrease in inventories	(16.873)	28.640
Increase/decrease in receivables	(65.207)	(31.794)
Increase/decrease in trade payables etc	57.406	(6.964)
Other changes	0	(7.285)
	(24.674)	**(17.403)**

15. Financial instruments

	Net volume M tonnes	2018 Net value USD'000	2017 Net value USD'000
Derivatives used for fair value hedgeing of inventory			
Derivatives maturing within 0-3 months	(23)	935	(57)
Derivatives maturing within 3-12 months	0	0	(88)
Derivatives 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

	Net value M tonnes	2018 USD'000	2017 USD'000
Firm commitments effectually hedge with derivatives	114	15.266	0
	114	**15.266**	**0**

The Group has no unhedged firm commitments.

16. Unrecognised rental and lease commitments

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).

Notes to consolidated financial statements

17. Contingent liabilities

Contingent liabilities

Monjasa Holding A/S has assumed joint liability for the debts and obligations of all the subsidiaries placed in The Netherlands.

Joint tax

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).

18. Assets charged and collateral

Security

The Group and its subsidaries have issued guarantees 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.

19. Transactions with related parties

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

Other related parties

Anders Østergaard, CEO and Member of the Board of Directors, Monjasa Holding A/S
Christian Merrild, Chairman of the Board of Directors, Monjasa Holding A/S
Tage Benedikt Bundgaard, Member of the Board of Directors, Monjasa Holding A/S
Flemming Edvard Ipsen, Member of the Board of Directors, Monjasa Holding A/S
Svend Stenberg Mølholt, COO, Monjasa Holding A/S

Notes to consolidated financial statements

	Registered in	Equity interest %
20. Subsidiaries		
Downstream Holding A/S	Fredericia, Denmark	100,0
Monjasa A/S	Fredericia, Denmark	100,0
RelateIT A/S	Odense, Denmark	100,0
Monjasa Inc	Connecticut, USA	100,0
Monjsa DMCC	Dubai, United Arabic Emirates	100,0
Monjasa Chartering DMCC	Dubai, United Arabic Emirates	100,0
Monjasa Chartering II DMCC	Dubai, United Arabic Emirates	100,0
Montec Ship Management DMCC	Dubai, United Arabic Emirates	100,0
Monjasa Marine LLC	Dubai, United Arabic Emirates	33,0
Biamark (PTY) Ltd	Windhoek, Namibia	55,0
Monjasa SARLU	Pointe-Noire, Republic of Congo	100,0
Monjasa Pte Ltd	Singapore	100,0
Monjasa S.A.	Panama, Panama	100,0
Monjasa MHQ S.A.	Panama, Panama	100,0
Monjasa PTY, S.A.	Panama, Panama	100,0
Monjasa S.A. de C.V.	Mexico City, Mexico	100,0
Monjasa LTD	Limassol, Cyprus	100,0
Monjasa LTD	London, United Kingdom	100,0
Midstream Holding A/S	Fredericia, Denmark	100,0
Monjasa Trading DMCC	Dubai, United Arabic Emirates	100,0
Logistics Holding A/S	Fredericia, Denmark	100,0
African Runner Shipping ApS	Fredericia, Denmark	100,0
African Chaser Shipping ApS	Fredericia, Denmark	100,0
African Sprinter Shipping ApS	Fredericia, Denmark	100,0
Skaw Provider Shipping ApS	Fredericia, Denmark	100,0
Monjasa Chartering ApS under frivillig likvidation	Fredericia, Denmark	100,0
Energizer Shipping ApS	Fredericia, Denmark	100,0
Monjasa Nordics ApS	Fredericia, Denmark	100,0
C-bed Holding BV	Amsterdam, The Netherlands	100,0
C-bed BV	Amsterdam, The Netherlands	100,0
C-bed II BV	Amsterdam, The Netherlands	100,0

Notes to consolidated financial statements

	Registered in	Equity interest %
20. Subsidiaries (continued)		
C-bed III BV	Amsterdam, The Netherlands	100,0
C-bed IV BV	Amsterdam, The Netherlands	100,0
C-bed Chartering BV	Amsterdam, The Netherlands	100,0
C-bed A/S	Fredericia, Denmark	100,0
First Arctic A/S	Fredericia, Denmark	67,0
Multiple Holding ApS	Fredericia, Denmark	100,0
Monjasa Holding A/S	Fredericia, Denmark	100,0
Be The Logo ApS	Fredericia, Denmark	66,7
24Tanken GmbH	Flensborg, Gemany	80,0
C-bed I ApS	Fredericia, Denmark	100,0

Parent income statement for 2018

	Notes	2018 USD'000	2017 USD'000
Other operating income	1	0	10.146
Other external expenses		(10)	(11)
Operating profit/loss		**(10)**	**10.135**
Income from investments in group enterprises		4.964	(1.012)
Income from investments in associates		0	4.373
Other financial income	2	2.486	675
Other financial expenses	3	(522)	(645)
Profit/loss before tax		**6.918**	**13.526**
Tax on profit/loss for the year	4	100	(12)
Profit/loss for the year	5	**7.018**	**13.514**

Parent balance sheet at 31.12.2018

	Notes	2018 USD'000	2017 USD'000
Investments in group enterprises		121.728	124.941
Other receivables		0	1.552
Fixed asset investments	6	**121.728**	**126.493**
Fixed assets		**121.728**	**126.493**
Receivables from group enterprises		4.316	2.625
Receivables from associates		0	1
Deferred tax	7	92	3
Other receivables		1.433	57
Receivables		**5.841**	**2.686**
Cash		**1**	**252**
Current assets		**5.842**	**2.938**
Assets		**127.570**	**129.431**

Parent balance sheet at 31.12.2018

	Notes	2018 USD'000	2017 USD'000
Contributed capital		19	19
Reserve for net revaluation according to the equity method		66.861	70.258
Retained earnings		14.903	6.099
Equity		**81.783**	**76.376**
Other payables		31.140	46.418
Non-current liabilities other than provisions	8	**31.140**	**46.418**
Current portion of long-term liabilities other than provisions	8	13.492	6.603
Trade payables		0	3
Payables to group enterprises		1.148	0
Income tax payable		0	12
Other payables		7	19
Current liabilities other than provisions		**14.647**	**6.637**
Liabilities other than provisions		**45.787**	**53.055**
Equity and liabilities		**127.570**	**129.431**
Contingent liabilities	9		
Related parties with controlling interest	10		
Transactions with related parties	11		

Parent statement of changes in equity for 2018

	Contributed capital USD'000	Reserve for net revaluation according to the equity method USD'000	Retained earnings USD'000	Total USD'000
Equity beginning of year	19	70.258	6.099	76.376
Exchange rate adjustments	0	(1.611)	0	(1.611)
Transfer to reserves	0	(1.786)	1.786	0
Profit/loss for the year	0	0	7.018	7.018
Equity end of year	**19**	**66.861**	**14.903**	**81.783**

Notes to parent financial statements

	2018 USD'000	2017 USD'000
1. Other operating income		
Acquisition of enterprises	0	10.146
	0	**10.146**

	2018 USD'000	2017 USD'000
2. Other financial income		
Financial income arising from group enterprises	126	0
Financial income from associates	0	80
Exchange rate adjustments	2.356	595
Other financial income	4	0
	2.486	**675**

	2018 USD'000	2017 USD'000
3. Other financial expenses		
Financial expenses from group enterprises	21	0
Other interest expenses	501	261
Exchange rate adjustments	0	384
	522	**645**

	2018 USD'000	2017 USD'000
4. Tax on profit/loss for the year		
Current tax	0	12
Change in deferred tax	(89)	0
Adjustment concerning previous years	(11)	0
	(100)	**12**

	2018 USD'000	2017 USD'000
5. Proposed distribution of profit/loss		
Retained earnings	7.018	13.514
	7.018	**13.514**

Notes to parent financial statements

	Invest-ments in group enterprises USD'000	Other receivables USD'000
6. Fixed asset investments		
Cost beginning of year	54.683	1.552
Transfers	0	(1.552)
Additions	184	0
Cost end of year	**54.867**	**0**
Revaluations beginning of year	70.258	0
Exchange rate adjustments	(1.611)	0
Share of profit/loss for the year	4.964	0
Dividend	(6.750)	0
Revaluations end of year	**66.861**	**0**
Carrying amount end of year	**121.728**	**0**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	2018 USD'000
7. Deferred tax	
Changes during the year	
Beginning of year	3
Recognised in the income statement	89
End of year	**92**

Deferred tax assets are recognised based on expected future earnings within the Group for the next 3-5 years.

	Due within 12 months 2018 USD'000	Due within 12 months 2017 USD'000	Due after more than 12 months 2018 USD'000
8. Liabilities other than provisions			
Other payables	13.492	6.603	31.140
	13.492	**6.603**	**31.140**

Notes to parent financial statements

9. Contingent liabilities
Joint tax

The Parent Company is the management company for 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 join taxation scheme. Corporate income tax payable for the Danish jointly taxed companies amounted to USD 0m at 31 December 2018 (2017: USD 0m).

10. Related parties with controlling interest
Anders Østergaard owns all the shares in the company.

11. Transactions with related parties
Only related party transactions not conducted on an arm’s length basis are disclosed in the financial statements. No such transactions have been conducted in the financial year.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year, except for recognition of effectively hedged firm commitments.

The functional and presentation currency is USD with the applied exchange rate for 2018: 6.52 (2017: 6.21)

Non-comparability
Endeavour Invest ApS acquired the remaining 50% shares of Monjasa Holding A/S and Multiple Holding ApS as of 30.08.2017, thus obtaining control. As a consequence the comparative figures in the consolidated profit and loss statement and notes only include the operations from the time of acquisition. Consequently, the consolidated financial statements include 12 months activity in 2018 and 4 months in 2017.

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. Endeavour Invest ApS 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 15 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.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

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.

Foreign currency translation
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.

Accounting policies

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 or a recognised liability or a firm commitment are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability. Firm commitments are confirmed sales contracts for delivery of oil at a predefined volume, port, period and price.

Income statement
Revenue
Revenue from the sale of oil and delivery of transport service 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.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Accounting policies

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Income from investments in associates
Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

The amortisation periods used are 5-8 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment
Building, ships and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

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

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Other investments
Other investments and deposits are measured 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 dedudction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The costs of goods for resale, raw materials and consumables equals landed cost.

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”.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in bank deposits and in hand.

Finance lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

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 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 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 comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents comprise "Cash at bank and in hand".

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