Endeavour Invest ApS

Strevelinsvej 34
7000 Fredericia
CVR No. 27309224

Annual report 2020

The Annual General Meeting adopted the annual report on 26.05.2021

Anders Østergaard
Chairman of the General Meeting

Contents

Entity details

Entity

Endeavour Invest ApS

Strevelinsvej 34

7000 Fredericia

Business Registration No.: 27309224

Registered office: Fredericia

Financial year: 01.01.2020 - 31.12.2020

Executive Board

Anders Østergaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Endeavour Invest ApS for the financial year 01.01.2020 - 31.12.2020

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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

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

Fredericia, 26.05.2021

Executive Board

Anders Østergaard

Independent auditor's report

To the shareholders 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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Entity or to cease operations, or has no realistic alternative but to do so.

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 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 and 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.

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, 26.05.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

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

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

Management commentary

Financial highlights

	2020 USD'000	2019 USD'000	2018 USD'000	2017 USD'000	2016 USD'000
Key figures					
Revenue	1,950,886	2,191,082	2,073,229	496,650	0
Gross profit/loss	94,222	93,630	49,073	21,128	(5)
Operating profit/loss	35,002	36,000	8,311	4,578	-5
Net financials	(4,318)	(3,201)	(3,737)	4,871	(12,820)
Profit/loss for the year	29,946	27,423	6,768	11,324	(12,846)
Balance sheet total	333,556	469,099	414,162	338,231	60,376
Investments in property, plant and equipment	9,686	20,180	8,424	122,137	0
Equity	136,498	106,393	79,429	74,272	60,373
Equity excl. minority interests	135,328	105,059	79,429	74,272	60,373
Cash flows from operating activities	80,016	(15,640)	(12,041)	(6,626)	(1,751)
Cash flows from investing activities	(20,164)	(19,938)	(1,657)	(28,217)	1,951
Cash flows from financing activities	(80,836)	38,053	12,839	54,211	(15)
Average number of employees	511	504	456	635	0
Ratios					
Gross margin (%)	4.8	4.3	2.4	4.3	0
Net margin (%)	1.5	1.3	0.3	2.3	0
Return on equity /%)	24.9	29.6	8.8	16.8	-21.3
Equity ratio (%)	40.5	22,4	19.2	21.9	100,0

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):
Gross profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

Return on equity (%):
Profit/loss for the year excl. minority interest* 100
Average equity excl. minority interest

Equity ratio (%):
Equity excl. minority interests * 100
Total assets

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 Service Operation Vessel to the offshore wind industry and IT consultancy 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

In a year of global trade uncertainties, Group operations (EBIT) generated a result of USD 35m (2019: USD 36m), which includes USD 7m in impairment of vessels. The net result after tax amounts to USD 30m (2019: USD 27m). These results are above expectations set in the Annual Report 2019 and better than expected in the context of global trade developments.

The Group experienced continued and further demand for services and products, which led to increased volumes delivered throughout the year. In addition, Monjasa supported its customers by extensive preparations to support the global shipping industry's transition to new low-sulphur marine fuels effective by 1 January 2020.

By 31 December 2020, consolidated Group equity amounts to USD 136m (2019: USD 106m), resulting in a return on equity of 24,9% in 2020 (2019: 30%). Overall, Management expresses satisfaction with the strong set of results.

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

The 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 in each Group entity.

Overall, the Group is divided into four main activities: oil trading, tanker operation, offshore wind and IT activities. The oil activity comprises worldwide trading and supply of oil products primarily for the maritime sector. The oil products are sold in various grades and are delivered across ports and offshore locations world-wide. In a global commodities' market, Monjasa focuses on providing value-added services through industry leading HSEQ and compliance standards and thereby satisfying an increasing customer demand for technical and commercial advice.

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

The offshore wind activity consists of owning and chartering out the current Service Operation Vessel, Wind Innovation, for the offshore wind industry and related offshore 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.

Oil activity
In 2020, Monjasa continued to see positive developments across most markets and leveraged on years of extensive preparations to meet the IMO 2020 industry quality standards.

As a result, Monjasa played an important role in fuelling global trade by enabling shipowners, charterers and operators a smooth and timely transition towards more environmentally friendly marine fuels.

As an example, Monjasa continued to experience a high demand across the Americas and at the same expanded its position in the Asian marked with high growth rates. Across the Group, these positive developments contributed to the Group's total volume increase by 9% to 4.9m mts (2019: 4.5m mts).

Closely linked to the Group's oil activities, the tanker fleet remained stable in 2020 with 20 vessels (2019: 19 vessels), maintaining its support to operations. During the year, fleet logistics were further optimised to enable the increasing volumes across all markets.

At the end of 2020, the Group's oil inventory amounted to USD 42m (2019: USD 56m), reflecting inventory levels in line with 2019 and a Brent oil price approx. USD 16 per barrel below end 2019 levels.

Tanker vessel activity
In 2020, the tanker vessel activity consisted of shipowning companies closely linked to the Group's oil activities by catering for the transport requirements.

During 2020 further one vessel was purchased to secure the right tonnage for the Group's expanding oil activities. Having the fleet composed by one additional fully controlled vessel is in line with Management aspirations of having around 50% of the fleet composed by owned tonnage.
As of 31 December 2020, 9 of the tanker vessels are operated on time charter agreements while the remaining 11 vessels are owned by the Group (2019: 10 vessels).

Looking ahead, it continues to remain a priority to have the fleet composed by the right mix of chartered and owned tankers to ensure customer flexibility and end-to-end supply ownership that is becoming increasingly important in our markets.

In 2014, the Danish tax authorities introduced a new interpretation of existing law, which in effect prevented 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.

Despite the National Tax Tribunal favouring Monjasa in November 2019, the tax authorities have filed an appeal in February 2020 and a date for the definitive ruling is yet to be established.

Offshore wind activity
The primary offshore wind activity remains to be shipowning and chartering of SOVs to operators and energy companies within offshore wind and related industries. With a high demand and utilisation of C-bed's vessel, Wind Innovation, the company concluded a positive year with revenue and EBITDA improving compared to 2019 levels.

IT activity
The IT activities consist of ERP solutions, delivered by RelateIT, who at the end of 2020 consisted of six office locations in Denmark and the UAE and a total of 105 employees (2019: 83 employees) selling Business Central consultancy and development as well as IT Infrastructure and Power BI solutions. RelateIT concluded another positive year of increasing number of customers, revenue and EBIT.

Financial resources
2020 was characterised by increasing oil activity levels and a year of shifting customer demand towards new and higher priced fuel types. However, in combination with an overall declining Brent oil price level this led to lower working capital requirements. With adequate working capital in place, the Group holds the financial resources to meet Management's expected future demands across all markets.

With an equity ratio of 41%, Management further considers the Group to be in a solid financial position to further develop its activities.

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.

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
The Group has recognised a receivable from an associate of USD 3m (2019: USD 4m). Uncertainty exists regarding timing of the receivable due to local restrictions on transferring cash out of the jurisdiction.

Valuation of vessels
In 2020, the fleet of Group owned vessels has been assessed for impairment and a write-down of USD 7m has been recognised. Uncertainties of global trade development and related effects on the maritime shipping markets exist.

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 and therefore no further additional capital injection was required in 2020.

Unusual circumstances affecting recognition and measurement

The Group's financial position as of 31 December 2020 as well as the results of the Group's operations and cash flows for the financial year 2020 are not affected by any unusual circumstances.

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.

Oil activity

With the IMO 2020 transition fully implemented, markets should present a more balanced global supply and demand of marine fuels. The global trade uncertainties caused by Covid-19 impact global economy developments and flows, which is likely to change trading patterns and demand for oil. The extent to which this will impact Monjasa remains to be seen.

With focus on leading industry governance, compliance and quality, the business is expected to develop further and exceed global shipping industry's increasing demands.

Overall, Management expects total volume at the same level as in 2020 and is confident of a positive financial result below the 2020 level.

Tanker vessel activity

The business is expected to remain stable, and the operations of the year are expected to conclude at the same levels as recoded in 2020. The focus remains to service the Group's oil activity through continued optimisation of the tanker fleet.

Offshore wind activity

C-bed is expected to remain a market leader within the offshore wind service industry and continue to experience a strong chartering demand. Consequently, the offshore wind activity expects to deliver a positive result in 2021.

IT activity

RelateIT will be focused on building further scale by delivering consultancy services to more customers from same number of locations with an increased number of consultants. The further scaling of the business is expected to improve the financial year 2021 compared to 2020.

Overall

Combining the expected steady volume across the oil business activities and continued positive developments across other business areas, Management expects the Group's financial year 2021 to conclude with a positive result below the 2020 level.

The 2021 expectations on financial performance are naturally subject to uncertainty and in particular in regard to the development in global shipping markets, including the continued Covid-19 pandemic (see *Changes in the business*), the world economy, exchange rates, oil prices and freight levels.

Endeavour Invest ApS

The net result of Endeavour Invest ApS is expected to be at a level similar to 2020.

Particular risks

Operating risks

Oil activity
The Board of Directors and the Monjasa Compliance department are acting independently from the operational and commercial 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 significant uncovered risks in respect of the Group's operations. The Group likewise holds relevant insurances against potential exposures, which could incur in the Group oil activities.

Offshore wind
The offshore wind industry is characterised by relatively few, large energy companies operating offshore wind farms. Therefore, it may be difficult to obtain sufficient spread of customer risk, while 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.

Hijacking
The safety of personnel is the premise for all our precautions. The Group operates 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 policy which includes an extensive description of how the crew and the officers should act in case of hijacking and/or piracy.

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

Market risks
The 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 substantially hedged against fluctuations.

Financial risks

Bunker oil
USD is the primary currency applied in the bunkering and tanker activities and there are limited currency 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 transactions happening simultaneously, or otherwise substantially hedged against fluctuations by the use of derivatives. 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 oil price exposure of the Group.
Monjasa evaluates the oil price exposure based on the aggregated physical inventory, purchase and sales orders as well as agreements with suppliers. On a daily basis, oil price exposure is hedged using derivatives.

As part of managing the oil price risk, Monjasa may enter into arbitrage trading, when such have a neutral impact on the oil price exposure and are profitable due to e.g. backwardation in the forward market.

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 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 among other the interest rate development.

Credit risks

Granting credit to counterparts represents a risk in the oil and shipping industries. 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 material changes in 2020 realised on loss on debtors compared to previous years.

Knowledge resources

The Group depends on skilled and motivated employees who identify themselves with the purpose of the Monjasa Group. The Group spends considerable resources attracting new talent, as well as developing current employees.

In 2020, we conducted a Global Office Admin workshop that brought together office managers and other administrative support staff that support our business in delivering results in the most effective way. They sharpened their competencies within general office management and learnt new tools that benefit their project management and daily tasks.

The Monjasa Academy continued to facilitate a series of leadership workshops to empower leaders in Monjasa with leadership tools. To effectively lead others, leaders have to start by leading oneself and develop strong self-awareness. In 2020, leaders had the opportunity to understand their own personality, values and preferences through a series of Hogan assessments and subsequent feedback from respective HR Business Partners. The leaders identified key self-improvement areas that will strengthen their role as a leader.

Insights Full Circle workshops were also conducted for the rest of the organisation. The purpose was to promote the personal and professional development of employees and enhance the performance of the business. Due to COVID-19 travel restrictions and social distancing measures, we have put these workshops on hold. At the same time, we have accelerated our efforts in increasing online learning activities, such as fuel blending course for senior staff in Trading and Operations.

The Monjasa Oil and Shipping Trainee (MOST) programme, launched to attract and develop global talent who will shape the future of the Group, is running in its third year. We welcomed another ten trainees globally who commenced their traineeship with an intensive onboarding programme in Denmark followed by their first module of the Commercial Shipping Programme at Danish Shipping.

Statutory report on corporate social responsibility

As an overall report for the Monjasa Group's corporate social responsibility (CSR) has been prepared separately. Reference is made to this report for the Group's statement on corporate social responsibility located in the consolidated financial report of Monjasa Holding A/S.

Statutory report on the underrepresented gender

As an overall report for the underrepresented gender for the Monjasa Group has been prepared separately. Reference is made to this report for the Group's report on the underrepresented gender located in the consolidated financial report of Monjasa Holding A/S.

Events after the balance sheet date

As of April 2021, Management is not aware of any material changes in the business.

Management follows the development of the current Covid-19 pandemic closely and the impact on our business and employees.

We are following local authority guidelines throughout the world and adjusting our daily work and routines accordingly.

As of April 2021, we have not experienced any material impact on our business or financial performance, however, Management acknowledges increased uncertainty related to continued global trade volumes, flows and supplies, which may affect our activity level as the situation develops. Furthermore, we have not seen any material negative development in our customers' ability to pay or changes to our financing.

Consolidated income statement for 2020

	Notes	2020 USD'000	2019 USD'000
Revenue	1	1,950,886	2,191,082
Other operating income		2,342	446
Cost of sales		(1,835,435)	(2,074,566)
Other external expenses	2	(23,571)	(23,332)
Gross profit/loss		**94,222**	**93,630**
Staff costs	3	(42,772)	(39,103)
Depreciation, amortisation and impairment losses	4	(16,448)	(18,527)
Operating profit/loss		**35,002**	**36,000**
Income from investments in associates		(39)	0
Other financial income	5	4,202	4,938
Other financial expenses	6	(8,520)	(8,139)
Profit/loss before tax		**30,645**	**32,799**
Tax on profit/loss for the year	7	(699)	(5,376)
Profit/loss for the year	8	**29,946**	**27,423**

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 USD'000	2019 USD'000
Acquired intangible assets		29	0
Acquired rights		2,592	2,817
Goodwill		1,806	2,250
Intangible assets	9	**4,427**	**5,067**
Land and buildings		5,001	5,064
Ships		56,688	61,723
Other fixtures and fittings, tools and equipment		2,088	1,342
Leasehold improvements		1,759	521
Property, plant and equipment	10	**65,536**	**68,650**
Investments in associates		4	10
Other investments		243	243
Deposits		2,170	1,997
Other receivables		167	152
Financial assets	11	**2,584**	**2,402**
Fixed assets		**72,547**	**76,119**
Manufactured goods and goods for resale		42,266	55,671
Inventories		**42,266**	**55,671**

Trade receivables		183,523	295,751
Receivables from associates		4,427	3,929
Deferred tax	12	4,360	3,088
Other receivables		10,156	9,302
Tax receivable		2,610	499
Prepayments	13	3,270	3,346
Receivables		**208,346**	**315,915**
Cash		**10,397**	**21,394**
Current assets		**261,009**	**392,980**
Assets		**333,556**	**469,099**

Equity and liabilities

	Notes	2020 USD'000	2019 USD'000
Contributed capital		19	19
Retained earnings		135,309	105,040
Equity belonging to Parent's shareholders		**135,328**	**105,059**
Equity belonging to minority interests		**1,170**	**1,334**
Equity		**136,498**	**106,393**
Other provisions	14	110	0
Provisions		**110**	**0**
Bank loans		7,280	0
Lease liabilities		1,031	1,022
Other payables		0	21,437
Non-current liabilities other than provisions	15	**8,311**	**22,459**
Current portion of non-current liabilities other than provisions	15	0	15,700
Bank loans		45,825	97,117
Lease liabilities		304	0
Prepayments received from customers		1,725	1,493
Trade payables		113,958	218,810
Payables to associates		2,048	198
Tax payable		11,362	1,125
Other payables		13,415	5,804
Current liabilities other than provisions		**188,637**	**340,247**
Liabilities other than provisions		**196,948**	**362,706**
Equity and liabilities		**333,556**	**469,099**

	Notes
Financial instruments	17
Unrecognised rental and lease commitments	18
Contingent liabilities	19
Assets charged and collateral	20
Transactions with related parties	21
Subsidiaries	22

Consolidated statement of changes in equity for 2020

	Contributed capital USD'000	Retained earnings USD'000	Equity belonging to Parent's shareholders USD'000	Equity belonging to minority interests USD'000	Total USD'000
Equity beginning of year	19	105,040	105,059	1,334	106,393
Ordinary dividend paid	0	0	0	(495)	(495)
Exchange rate adjustments	0	520	520	134	654
Profit/loss for the year	0	29,749	29,749	197	29,946
Equity end of year	**19**	**135,309**	**135,328**	**1,170**	**136,498**

Consolidated cash flow statement for 2020

	Notes	2020 USD'000	2019 USD'000
Operating profit/loss		35,002	36,000
Amortisation, depreciation and impairment losses		16,448	18,527
Working capital changes	16	35,121	(69,248)
Other adjustments		(968)	0
Cash flow from ordinary operating activities		**85,603**	**(14,721)**
Financial income received		2,289	7,068
Financial expenses paid		(6,020)	(7,145)
Taxes refunded/(paid)		(1,856)	(842)
Cash flows from operating activities		**80,016**	**(15,640)**
Acquisition etc. of intangible assets		(1,459)	(999)
Acquisition etc. of property, plant and equipment		(9,547)	(20,180)
Sale of property, plant and equipment		572	402
Loans		(183)	839
Cash flows from investing activities		**(10,617)**	**(19,938)**
Free cash flows generated from operations and investments before financing		**69,399**	**(35,578)**
Loans raised		7,280	53,865
Repayments of loans etc.		(88,429)	(16,481)
Reduction of lease commitments		313	26
Transactions with non-controlling interestz		0	643
Cash flows from financing activities		**(80,836)**	**38,053**
Increase/decrease in cash and cash equivalents		**(11,437)**	**2,475**
Cash and cash equivalents beginning of year		21,394	18,740
Currency translation adjustments of cash and cash equivalents		440	179
Cash and cash equivalents end of year		**10,397**	**21,394**

Cash and cash equivalents at year-end are composed of:

Cash	10,397	21,394
Cash and cash equivalents end of year	**10,397**	**21,394**

Notes to consolidated financial statements

1 Revenue

	2020 USD'000	2019 USD'000
Oil	1,920,847	2,165,004
Offshore wind	17,395	15,498
Other	12,644	10,580
Total revenue by activity	**1,950,886**	**2,191,082**

2 Fees to the auditor appointed by the Annual General Meeting

	2020 USD'000	2019 USD'000
Statutory audit services	424	451
Tax services	271	50
Other services	124	72
	819	**573**

3 Staff costs

	2020 USD'000	2019 USD'000
Wages and salaries	40,795	37,508
Pension costs	1,554	285
Other social security costs	417	1,310
Other staff costs	6	0
	42,772	**39,103**

Average number of full-time employees	**511**	**504**

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

4 Depreciation, amortisation and impairment losses

	2020 USD'000	2019 USD'000
Amortisation of intangible assets	1,542	1,486
Depreciation on property, plant and equipment	7,925	17,041
Impairment losses on property, plant and equipment	6,981	0
	16,448	**18,527**

5 Other financial income

	2020 USD'000	2019 USD'000
Exchange rate adjustments	1,885	1,264
Other financial income	2,317	3,674
	4,202	**4,938**

6 Other financial expenses

	2020 USD'000	2019 USD'000
Other interest expenses	554	17
Exchange rate adjustments	2,464	311
Other financial expenses	5,502	7,811
	8,520	**8,139**

7 Tax on profit/loss for the year

	2020 USD'000	2019 USD'000
Current tax	1,913	1,007
Change in deferred tax	(1,387)	3,389
Adjustment concerning previous years	173	980
	699	**5,376**

8 Proposed distribution of profit/loss

	2020 USD'000	2019 USD'000
Retained earnings	29,749	27,286
Minority interests' share of profit/loss	197	137
	29,946	**27,423**

9 Intangible assets

	Acquired intangible assets USD'000	Acquired rights USD'000	Goodwill USD'000
Cost beginning of year	0	7,221	3,632
Transfers	0	(394)	0
Additions	29	1,289	0
Disposals	0	(38)	0
Cost end of year	**29**	**8,078**	**3,632**
Amortisation and impairment losses beginning of year	0	(4,404)	(1,382)
Exchange rate adjustments	0	21	(5)
Amortisation for the year	0	(1,103)	(439)
Amortisation and impairment losses end of year	**0**	**(5,486)**	**(1,826)**
Carrying amount end of year	**29**	**2,592**	**1,806**

10 Property, plant and equipment

	Land and buildings USD'000	Ships USD'000	Other fixtures and fittings, tools and equipment USD'000	Leasehold improvements USD'000
Cost beginning of year	8,115	91,842	9,524	1,844
Exchange rate adjustments	0	4,442	53	(11)
Additions	819	5,903	1,552	1,412
Disposals	0	0	(572)	0
Cost end of year	**8,934**	**102,187**	**10,557**	**3,245**
Depreciation and impairment losses beginning of year	(3,051)	(30,119)	(8,182)	(1,323)
Exchange rate adjustments	(218)	(2,020)	(47)	(13)
Impairment losses for the year	(144)	(6,837)	0	0
Depreciation for the year	(520)	(6,523)	(732)	(150)
Reversal regarding disposals	0	0	492	0
Depreciation and impairment losses end of year	**(3,933)**	**(45,499)**	**(8,469)**	**(1,486)**
Carrying amount end of year	**5,001**	**56,688**	**2,088**	**1,759**

11 Financial assets

	Investments in associates USD'000	Other investments USD'000	Deposits USD'000	Other receivables USD'000
Cost beginning of year	51	243	1,997	152
Exchange rate adjustments	0	0	64	15
Additions	34	0	199	0
Disposals	0	0	(90)	0
Cost end of year	**85**	**243**	**2,170**	**167**
Impairment losses beginning of year	(41)	0	0	0
Impairment losses on goodwill	(40)	0	0	0
Impairment losses end of year	**(81)**	**0**	**0**	**0**
Carrying amount end of year	**4**	**243**	**2,170**	**167**

12 Deferred tax

Changes during the year	**2020 USD'000**	**2019 USD'000**
Beginning of year	3,088	7,728
Recognised in the income statement	1,387	(3,402)
Adjustment concerning previous years recognised in the income statement	(119)	(688)
Adjustment concerning previous years	4	(550)
End of year	**4,360**	**3,088**

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 112 thousand concerns movement between deferred tax and income tax receivable.

13 Prepayments

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

14 Other provisions

Provisions include, amongst others, the expected loss risk on pending court cases.

15 Non-current liabilities other than provisions

	Due within 12 months 2019 USD'000	Due after more than 12 months 2020 USD'000
Bank loans	0	7,280
Lease liabilities	1,303	1,031
Other payables	14,397	0
	15,700	**8,311**

16 Changes in working capital

	2020 USD'000	2019 USD'000
Increase/decrease in inventories	13,405	12,322
Increase/decrease in receivables	110,982	(83,266)
Increase/decrease in trade payables etc.	(89,266)	1,696
	35,121	**(69,248)**

17 Derivative financial instruments

			Group
		2020	2019
	Net volume	Net value	Net value
	MTS '000	USD '000	USD '000
Derivatives used for fair value hedgeing of inventory			
Derivatives maturing within 0-3 months	-21	-1,054	-925
Derivatives used for fair value hedging of firm commitments			
Derivatives maturing within 0-3 months	9	389	1161
Derivatives maturing within 3-12 months	29	890	306
	17	**225**	**542**

Explanatory notes for firm commitments			Group
		2020	2019
	Net volume	Net value	Net value
	MTS '000	USD '000	USD '000
Firm commitments effectually hedge with derivatives	38	1,192	1,671
	38	**1,192**	**1,671**

The Group has no unhedged firm commitments.

18 Unrecognised rental and lease commitments

The Group has assumed operating lease obligations which at 31 December 2020 amounts to USD 18.3m (2019: USD 16.2m) in the period of non-terminability of up to 89 months (2019: 64 months).

The Group has assumed charter hire obligations which at 31 December 2020 amount to USD 19.9m (2019: USD 7m).

19 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 2020 (2019: USD 0m).

20 Assets charged and collateral

The company and its subsidiaries have issued guarantees towards financial institutions in respect of loans which amount to USD 51mUSD at the balance sheet date (2019: 99 mUSD).

Collateral pledged to the financial institutions include receivables, inventories and other assets to the extend such assets are subject to the floating charges in Monjasa A/S or Monjasa Inc.

21 Non-arm’s length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Related parties are defing’ed as parties with control or significant influence, including Group companies.

22 Subsidiaries

	Registered in	Ownership %
Downstream Holding A/S	Fredericia, Denmark	100,0
Monjasa A/S	Fredericia, Denmark	100,0
RelateIT A/S	Odense, Denmark	80,0
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	49,0
Biamark (PTY) Ltd	Windhoek, Namibia	55,0
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
Logistics Holding A/S	Fredericia,	100,0

	Denmark	
African Runner Shipping ApS	Fredericia, Denmark	100,0
Monjasa Chaser Shipping ApS	Fredericia, Denmark	100,0
Monjasa Sprinter Shipping ApS	Fredericia, Denmark	100,0
Monjasa Provider Shipping ApS	Fredericia, Denmark	100,0
Monjasa Chartering ApS	Fredericia, Denmark	100,0
Energizer Shipping ApS	Fredericia, Denmark	100,0
Monjasa Nordics ApS	Fredericia, Denmark	100,0
C-bed Holding A/S	Fredericia, Denmark	100,0
RelateIT Holding A/S	Odense, Denmark	80,0
RelateIT DMCC	Dubai, United Arabic Emirates	80,0
AHA Livestage ApS	Fredericia, Denmark	100,0
First Arctic A/S	Fredericia, Denmark	100,0

	Registered in	Ownership %
Multiple Holding ApS	Fredericia, Denmark	100,0
Monjasa Holding A/S	Fredericia, Denmark	100,0
AHA Creations ApS	Fredericia, Denmark	100,0
C-bed I ApS	Fredericia, Denmark	100,0
XtensionIT ApS	Odense, Denmark	80,0
Monjasa Combustíveis Ltda	Rio de Janeiro, Brazil	100,0
Monjasa C.I.S.A.S	Bogotá D.C., Colombia	100,0
Monjasa LTD (Gibraltar)	Gibraltar	100,0
Monjasa LDA	Angola	49,0
Monjasa Angola LDA	Angola	49,0
Monjasa (PTY) Ltd	Namibia	35,0
Elcano Aps	Denmark	33,0

Parent income statement for 2020

	Notes	2020 USD'000	2019 USD'000
Other operating income		894	0
Other external expenses		(190)	(22)
Gross profit/loss		**704**	**(22)**
Staff costs	1	(85)	(49)
Operating profit/loss		**619**	**(71)**
Income from investments in group enterprises		23,293	32,584
Other financial income	2	169	1,136
Other financial expenses	3	(2,299)	(2)
Profit/loss before tax		**21,782**	**33,647**
Tax on profit/loss for the year	4	238	(95)
Profit/loss for the year	5	**22,020**	**33,552**

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 USD'000	2019 USD'000
Investments in group enterprises		137,948	142,184
Financial assets	6	**137,948**	**142,184**
Fixed assets		**137,948**	**142,184**
Receivables from group enterprises		173	2,945
Other receivables		0	31
Tax receivable		166	0
Receivables		**339**	**2,976**
Current assets		**339**	**2,976**
Assets		**138,287**	**145,160**

Equity and liabilities

	Notes	2020 USD'000	2019 USD'000
Contributed capital		19	19
Reserve for net revaluation according to the equity method		82,354	86,897
Retained earnings		55,877	28,150
Equity		**138,250**	**115,066**
Other payables		0	16,485
Non-current liabilities other than provisions	7	**0**	**16,485**
Current portion of non-current liabilities other than provisions	7	0	13,492
Trade payables		0	4
Payables to group enterprises		4	31
Tax payable		0	64
Other payables		33	18
Current liabilities other than provisions		**37**	**13,609**
Liabilities other than provisions		**37**	**30,094**
Equity and liabilities		**138,287**	**145,160**
Contingent liabilities	8		
Related parties with controlling interest	9		
Transactions with related parties	10		

Parent statement of changes in equity for 2020

	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	86,897	28,150	115,066
Exchange rate adjustments	0	1,164	0	1,164
Dividends from group enterprises	0	(29,000)	29,000	0
Profit/loss for the year	0	23,293	(1,273)	22,020
Equity end of year	**19**	**82,354**	**55,877**	**138,250**

Notes to parent financial statements

1 Staff costs

	2020 USD'000	2019 USD'000
Wages and salaries	79	46
Pension costs	6	3
	85	**49**
Average number of full-time employees	**1**	**1**

2 Other financial income

	2020 USD'000	2019 USD'000
Financial income from group enterprises	169	231
Exchange rate adjustments	0	905
	169	**1,136**

3 Other financial expenses

	2020 USD'000	2019 USD'000
Financial expenses from group enterprises	15	2
Other interest expenses	553	0
Exchange rate adjustments	1,731	0
	2,299	**2**

4 Tax on profit/loss for the year

	2020 USD'000	2019 USD'000
Current tax	(166)	64
Adjustment concerning previous years	(72)	31
	(238)	**95**

5 Proposed distribution of profit and loss

	2020 USD'000	2019 USD'000
Retained earnings	22,020	33,552
	22,020	**33,552**

6 Financial assets

	Investments in group enterprises USD'000
Cost beginning of year	54,867
Additions	727
Cost end of year	**55,594**
Revaluations beginning of year	87,317
Exchange rate adjustments	744
Share of profit/loss for the year	23,293
Dividend	(29,000)
Revaluations end of year	**82,354**
Carrying amount end of year	**137,948**

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

7 Non-current liabilities other than provisions

	Due within 12 months 2019 USD'000
Other payables	13,492
	13,492

8 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

9 Related parties with controlling interest

Anders Østergaard owns all shares in the Entity, thus exercising control.

10 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during 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 consolidated financial statements and parent financial statements are consistent with those applied last year.

The functional and presentation currency is USD with the applied exchange rate for 2020: 6.53 (2019: 6.68)

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' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the 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 lives. 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

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. 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 wages and salaries, and 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, and gains and losses from the sale of intangible assets and property, plant and equipment.

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 intra-group 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 pro rata elimination of intra-group 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, and 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, and 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 on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

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

Property, plant and equipment
Buildings, 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
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	4-5 years
Ships	3-15 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
Investments in group enterprises are recognised and measured in the parent financial statements 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 or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

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.

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in associates.

Associates with negative equity value are measured at DKK 0. Any receivables from these associates are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method in equity.

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 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 enterprises are stratically 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 associates are written down to the lower of recoverable amount and carrying amount.

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.

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

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

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

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated costs of returns.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

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.

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.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.