Monjasa Holding A/S
Annual report
2016

Monjasa Holding A/S
Strevelinsvej 34
7000 Fredericia
Denmark

The Annual General
Meeting adobted the
annual report on
29 May 2017

Financial Period
1 January - 31 December

Central Business
Registration No: 33150709

Chairman of the General Meeting

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MONJASA HOLDING A/S

The Monjasa Group is a leading global partner in the oil and shipping industries.

Our core business includes reselling and physical supply of marine fuels, oil trading, terminal operations, agency, and shipowning activities on a global level.

COMPANY INFORMATION

The Company

Monjasa Holding A/S
Strevelinsvej 34
DK-7000 Fredericia

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

Central Business Registration No:
33150709

Financial period:

1 January - 31 December

Municipality of reg. office:

Fredericia

Board of directors

Christian Merrild (Chairman)
Anders Østergaard
Tage Bundgaard
Flemming Ipsen

Executive Management

Anders Østergaard
Kenneth Henriks
Svend Stenberg Mølholt

Lawyer

Gorrissen Federspiel
H. C. Andersens Boulevard 12
1553 København V

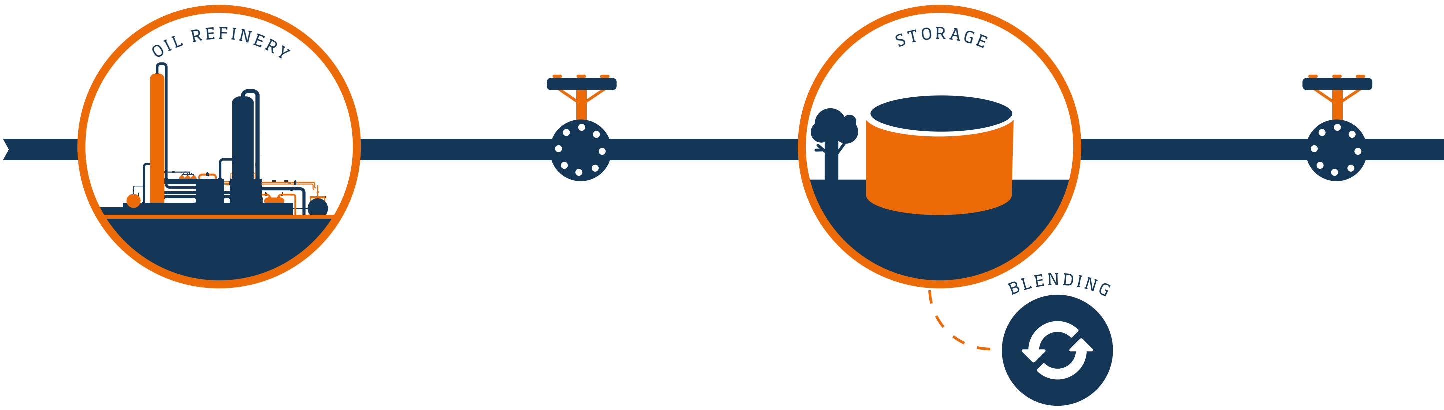
Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Our oil business at a glance

Major oil companies

Major oil companies or large scale commodities trading houses



Sourcing, shipping, and supply

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

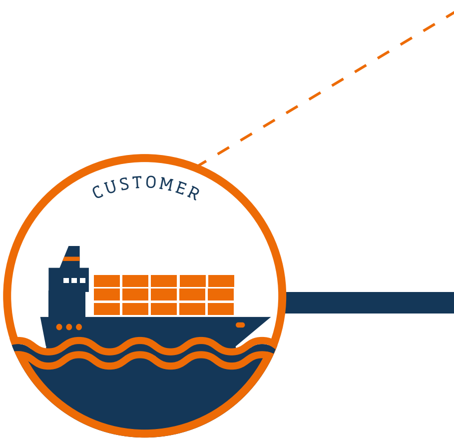
Our main business platform continues to include worldwide reselling activities and physical supply in West Africa, Europe, and the Middle East.

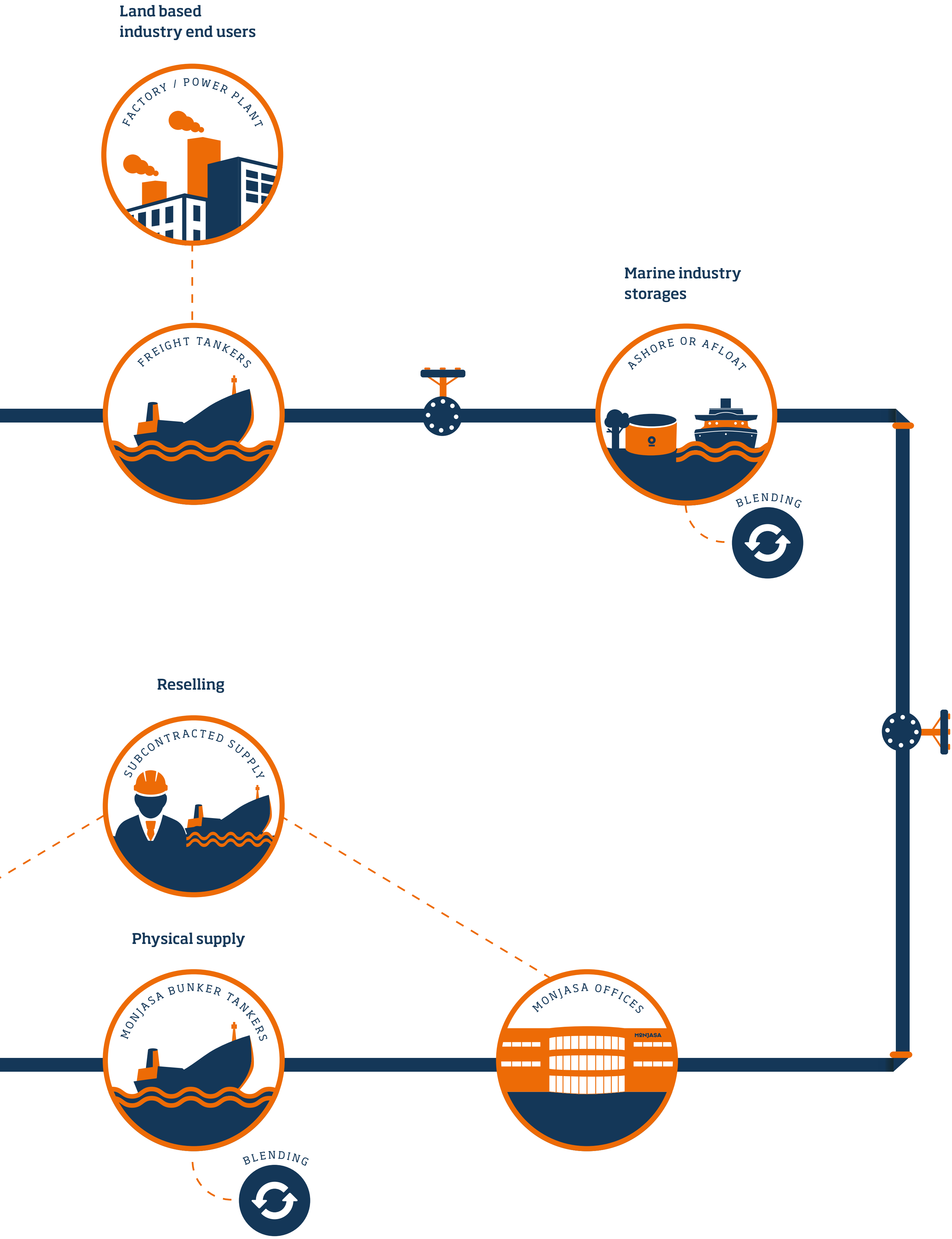
Reselling activity

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

Physical supply

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




Land based
industry end users
FACTORY / POWER PLANT
FREIGHT TANKERS
Marine industry
storages
ASHORE OR AFLOAT
BLENDING
Reselling
SUBCONTRACTED SUPPLY
Physical supply
MONJASA BUNKER TANKERS
MONJASA OFFICES
MONJASA
BLENDING

Overview

Highlights 2016 at a glance

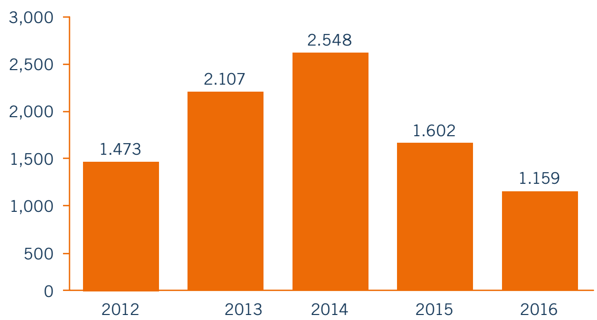
2016 was an extremely challenging year for almost all global oil and shipping companies. And Monjasa Holding A/S was no exception. With a downward trending demand for transportation of goods as well as decreasing oil and gas offshore activities, we experienced headwinds in all main markets.

The Group's total revenue decreased to USD 1.2bn due to a fall in 2016-oil prices and slightly lower supply volumes.

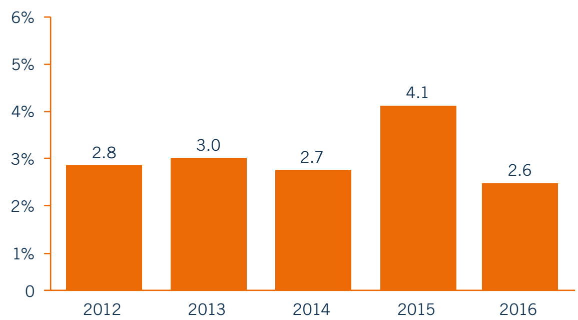
We recorded total operations (EBIT) of USD -17m, while the result of the year amounted USD -26m.

Despite a year of tough market conditions, Monjasa Holding A/S remains a robust partner to the shipping industry and demonstrates consolidated Group equity of USD 113m and a high solvency ratio of 36%.

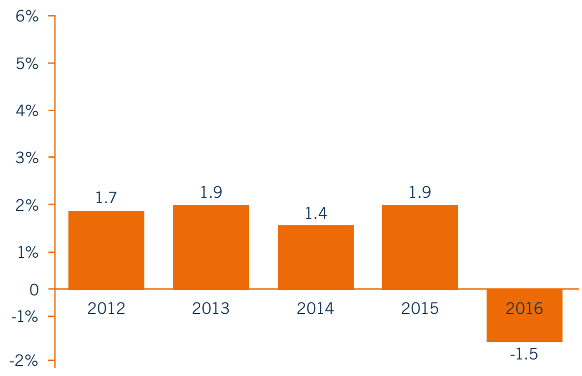
Revenue in USD million



Gross margin



Profit margin



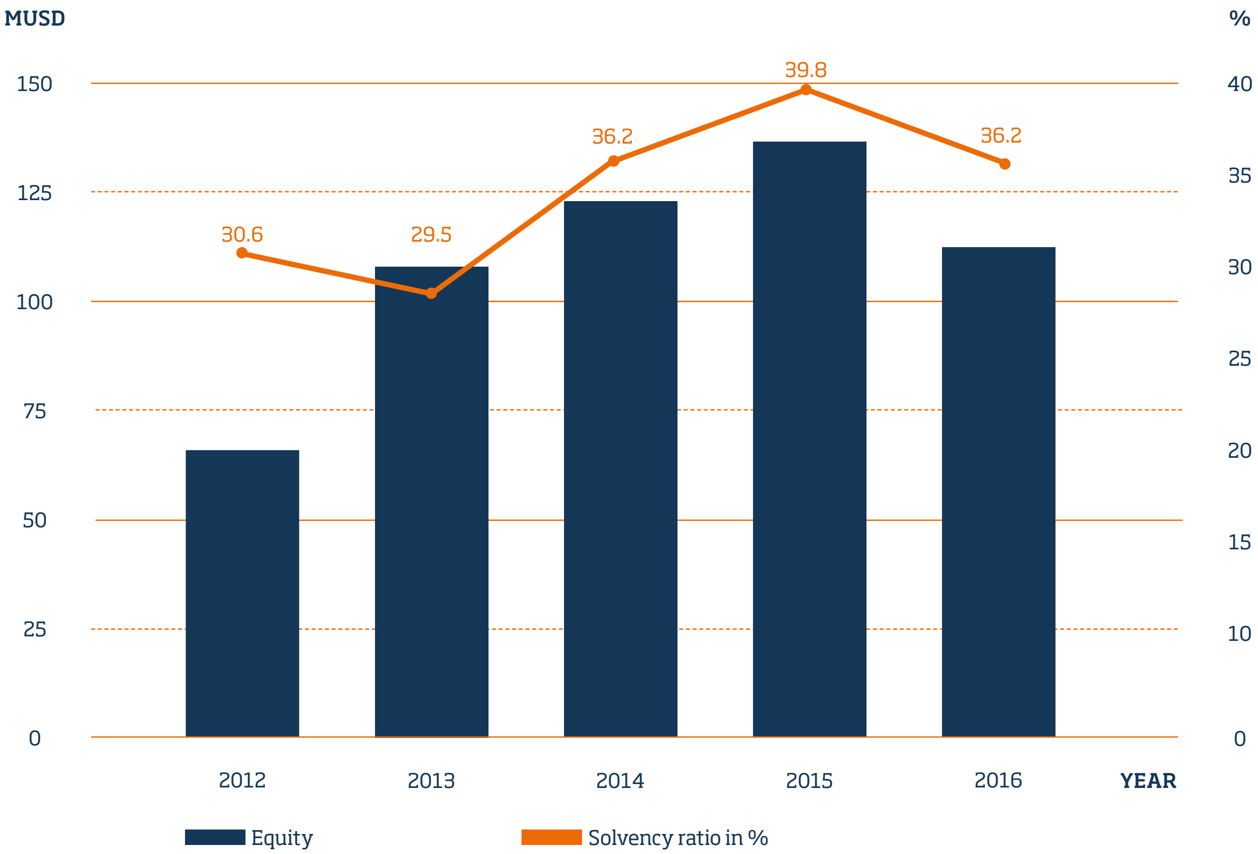
Supply volume

Metric tonnes (mts)

3.8 million

Total supply volume decreased from 4.1 million mts to 3.8 million mts of oil products.

Group equity and solvency ratio

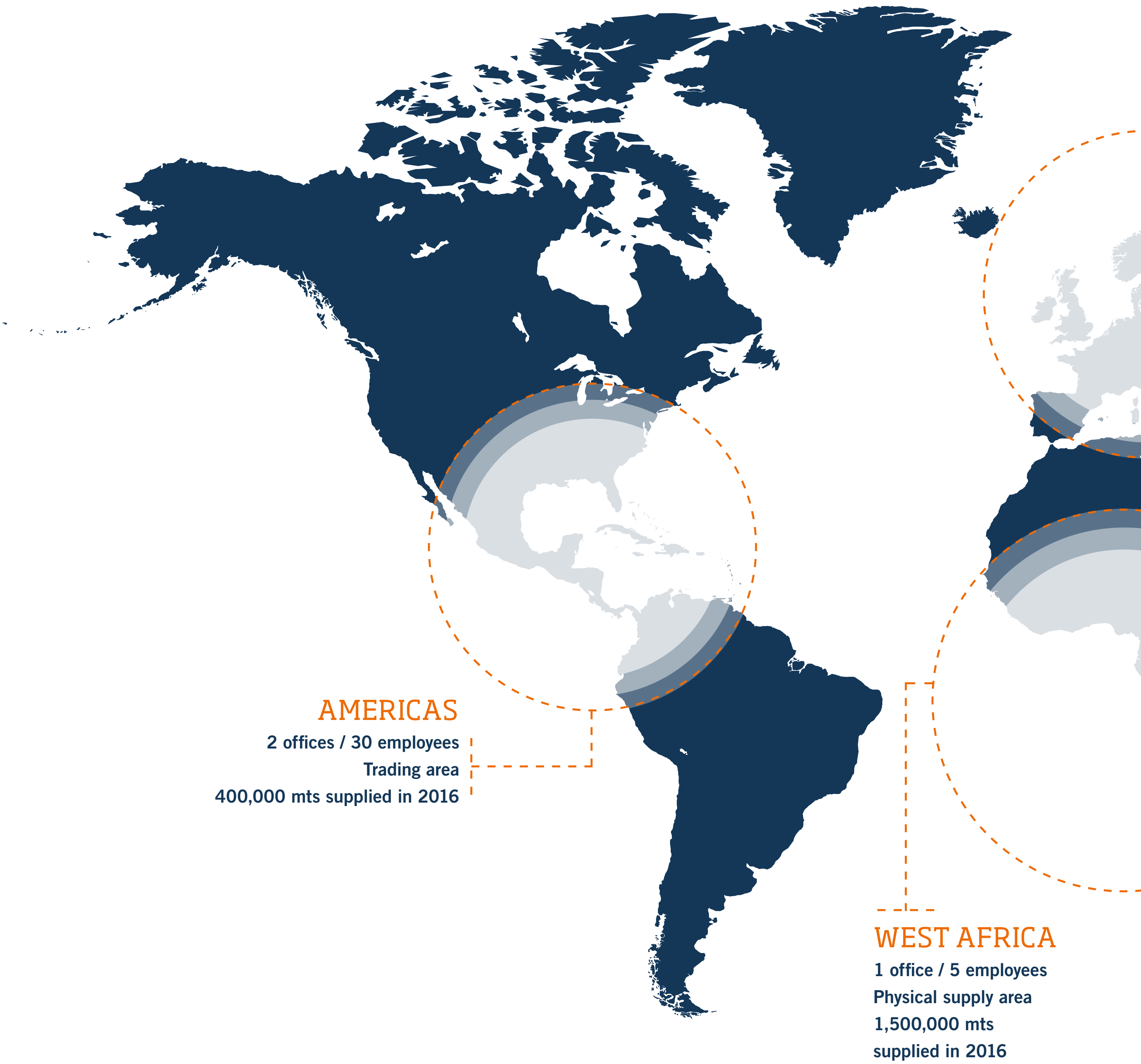


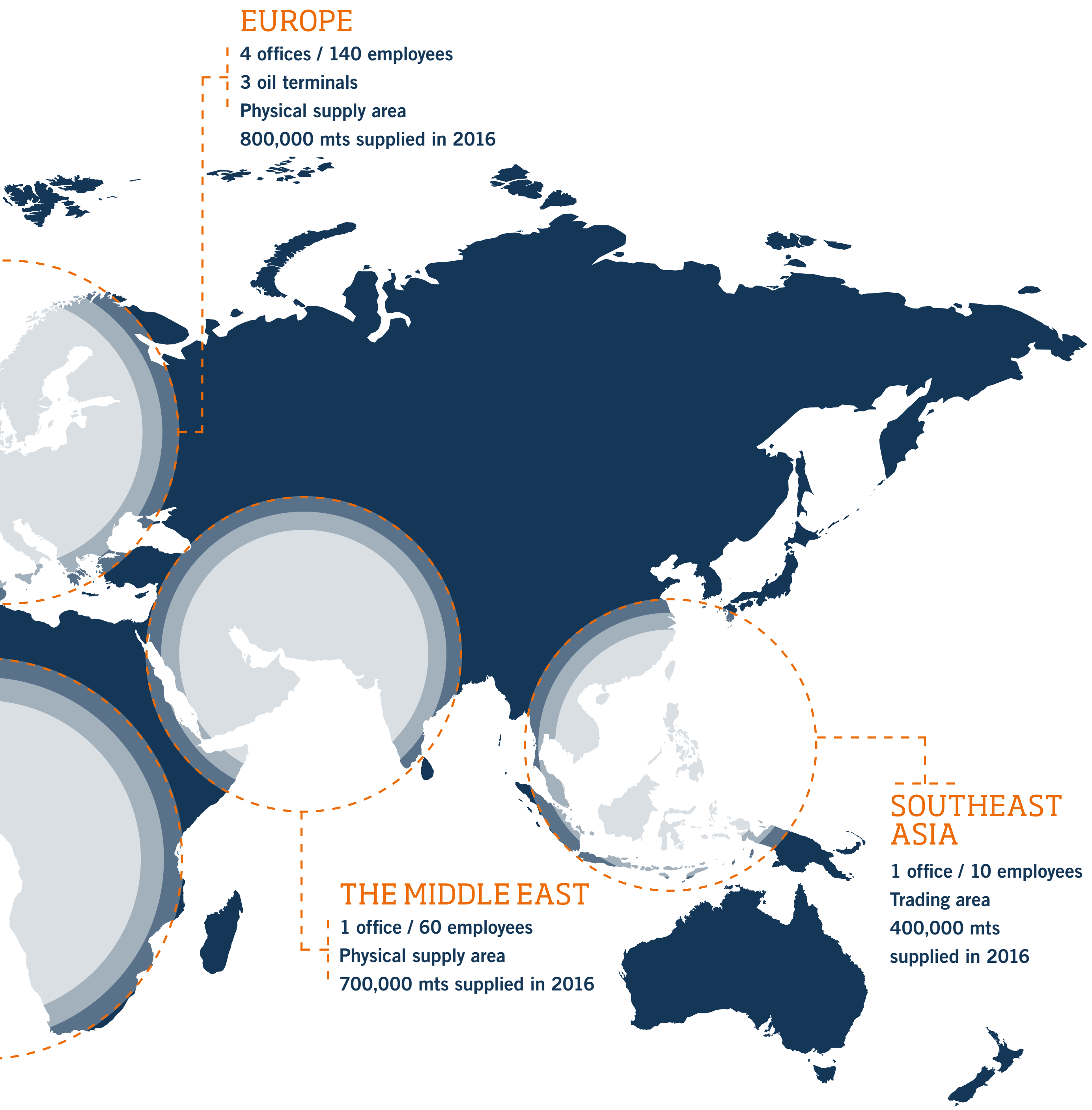
Working capital reduction

Reduction of trade related working capital, hence optimisations on stocks, reducing overdue receivables and negotiating better payment terms.

USD
75
million

Global shipping partner since 2002

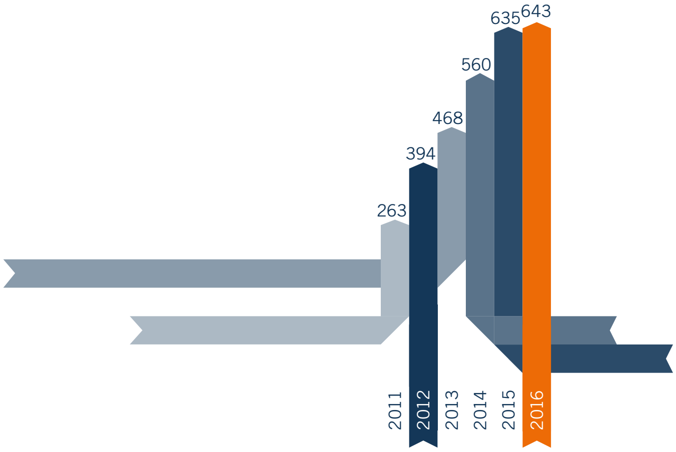



EUROPE
4 offices / 140 employees
3 oil terminals
Physical supply area
800,000 mts supplied in 2016
THE MIDDLE EAST
1 office / 60 employees
Physical supply area
700,000 mts supplied in 2016
SOUTHEAST ASIA
1 office / 10 employees
Trading area
400,000 mts
supplied in 2016

Our workforce

In 2016, we experienced a slight increase in total number of employees on land and on board our vessels at sea.

Our multicultural organisation now counts 45 different nationalities and a male/female gender ratio of 64:36 among our office staff.



Realised losses

<0.1%

Loss on debtors in 2016 compared to revenue, hence intensive focus on collecting overdue debt.

Did you know…

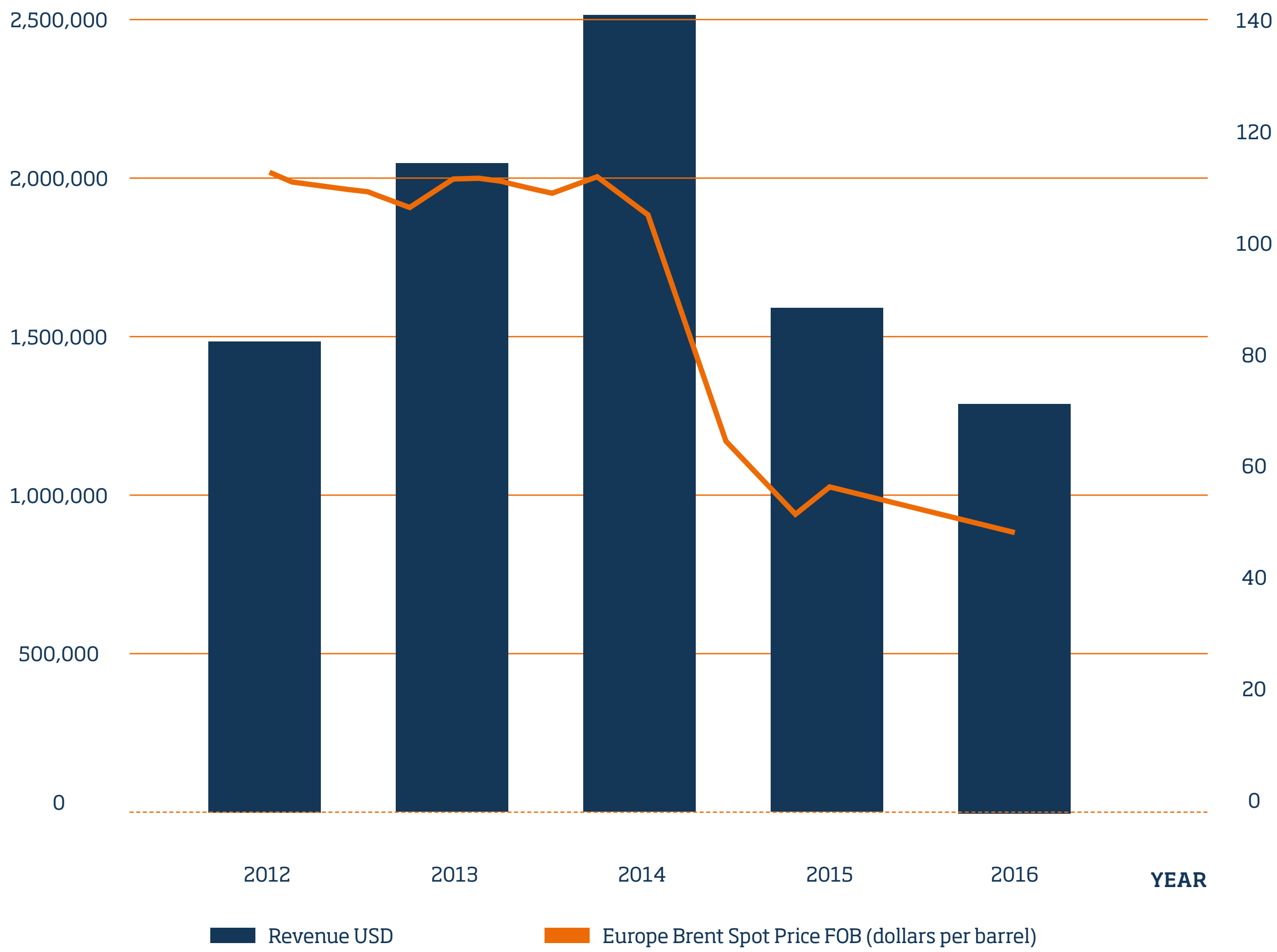
Monjasa serviced customers from 104 different countries?

Monjasa reached a maximum of 113 supply operations in one day?

Monjasa supplied bunkers in 535 ports worldwide ?

2016
Revenue/oil price

1,000 USD/USD



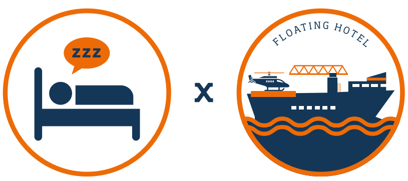
Decreasing oil price levels affect total revenue

A further decrease in global oil price levels coupled with a slightly lower supply volume affect total revenue of the year.

Source: EIA

52.292

Overnight stays at C-bed Floating Hotels in 2016



Corporate purpose

Monjasa means personal business

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

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

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

Our fleet of bunker tankers

As of 31 December 2016, our fleet of modern bunker tankers numbers 20 and has an average age of eight years. All of them are double hull and offer a specially trained crew.

Europe	West Africa	The Middle East
3	13	4

Letter from the Chairman of the Board

2016 was indeed a year of extremely difficult market conditions. Despite witnessing a slight improvement in the global macroeconomic conditions, the year became one of the most challenging in the history of oil and shipping.

Welcome to Monjasa Holding A/S Annual Report for 2016. A forceful market downturn resulted in a very unsatisfactory Group operations performance.

Overcapacity and slow growth in almost every shipping segment put freight rates under intense pressure and even major shipowners eventually had to give in and file for bankruptcy. Worrying developments stunning the global shipping community.

Monjasa Holding A/S was heavily affected by this forceful market downturn, and even though 2016 was also affected by several important non-recurring expenditures, the 2016 Group operations (EBIT) performance was very unsatisfactory to the Board of Directors.

SIGNIFICANTLY IMPROVING WORKING CAPITAL

In the Monjasa Holding A/S Annual Report for 2015, we announced that our existing borrowing base credit facility had turned out less flexible and less adequate for our business than expected and that the Group had engaged in negotiations with other lenders for a more suitable future financing model. By the end of March 2017, the borrowing base credit facility was successfully phased out in collaboration with the lenders.

To make this development possible, the management has emphasised a strong focus on liquidity across the Group and several important efforts were successfully completed within this area. Improved credit terms on both the customer and supplier side as well as reduced oil stocks have contributed to significantly improved working capital management across the Group.

Monjasa Holding A/S holds a high solvency ratio, which by 31 December 2016 stood at 36%. By demonstrating this continued strong ability to sustain operations via improved working capital management, the Group has become less dependent on external funding.

CONTINUAL COMMITMENT TO QUALITY MANAGEMENT AND COMPLIANCE

Our push for extended quality management and compliance measures continued tirelessly in 2016. It is our conviction that today's customers exercise a growing focus on quality management and compliance efforts, regardless of where in the world they do business. By having dedicated compliance and HSEQ representatives at all offices, the Group will continue to meet and go well beyond the industry standards.

In early 2017, the Group's quality management systems were given a full review and recertified by Bureau Veritas. On this occasion, the Group also upgraded its ISO 9001 and ISO 14001-standards (quality and environmental systems) to become the world's first bunker company to meet the new requirements, which were executed in 2015.

ACTIVE ROLE IN THE GREEN ENERGY TRANSITION

For the Group's green energy offshore division, C-bed Floating Hotels, 2016 marked the year where the most advanced vessel in the fleet, Wind Innovation, was successfully introduced to the market on the large Gemini Offshore Wind Park commissioning project in the German North Sea.

With her Dynamic Positioning capacity, Comfort Class 3 certification, and motion compensated gangway system she is expected to contribute significantly to the future developments of C-bed.

CHANGES TO THE BOARD OF DIRECTORS COMPOSITION

As Chairman of the Board, I was pleased to welcome Flemming Ipsen as a new capacity in the board room as of December 2016. With his profound knowledge of international shipping from positions with TORM and the A.P. Moller-Maersk Group, Flemming has proven himself an energetic and accomplished leader in the Danish business community.

Concurrently, board member and lawyer Jens Mathiasen resigned from the board of Monjasa Holding A/S. This resignation also reflects the guidelines of good corporate governance, which aim for separating legal services and board services.

Monjasa Holding A/S holds a high solvency ratio of 36%. By demonstrating this continued strong ability to sustain operations via improved working capital management, the Group has become less dependent on external funding.

During autumn 2016, former director, Jan Jacobsen also resigned from all management and board activities across the Group. This decision followed a lower district court verdict against the Denmark based Group subsidiary, Monjasa A/S and Jan Jacobsen in a legal case dating back to 2010 regarding accusations of over-invoicing one customer. The court verdict was reached despite Monjasa A/S presenting complete supply documentation from the third-party subcontractor responsible of delivering the product. This verdict is in all its aspects disputed by the Group, since we continue to see the accusations as groundless. Therefore, an appeal was subsequently instantly lodged to the National High Court in Denmark. The case thereby remains unresolved and we do not expect any conclusion until late 2017. However, to remove any uncertainties related to the Group's continued operations, Jan Jacobsen decided to resign from his management and board positions.

A POSITIVE OPENING OF 2017

In summary, 2016 became a year with extremely difficult market conditions and it is therefore very positive to see that the entire Group is off to a positive start of 2017. The first four months of 2017 shows positive result and the Board of Directors expects positive Group operations (EBIT) for 2017.

I would like to express my sincere appreciation to all - land and sea based - Monjasa and C-bed employees. I know that the tough market conditions experienced in 2016 demanded a lot from the entire organisation and the Board of Directors is pleased to see the ambitious and loyal attitude displayed across our business units.

Christian Merrild - (Chairman of the Board)

2016

Physical supplier
One of our tankers, MT Fredericia, supplying fuel oil and gas oil to a VLCC at Portland, UK.

Busy UK shipping lane fuelled by Monjasa

Monjasa further tightens physical supply operations stretching from the Baltic Sea to the busy English Channel. The aim is to benefit our customers, by offering flexibility on a string of supply locations.

Monjasa has become the easy accessible alternative for taking bunkers at the entrance to the Emission Control Area (ECA). With exclusive bunkering operations in Portland, Tongue Anchorage, Falmouth, and a newly obtained licence to supply in all French ports, we offer a flexible alternative to the ARA market (Rotterdam area).

Physical supply matching our customers' buying behaviour

The Monjasa Group is currently consolidating and strengthening our physical capabilities across North Western Europe. With this extended setup in the English Channel, we are underlining our capability of offering supply security throughout the region, matching our customers' needs. Furthermore, we are exploiting further synergies with our existing physical setups in Portland, UK, in Skagen, Denmark, and in Riga, Latvia. The aim is to benefit our customers, by offering flexibility on a string of supply locations.

Enhancing operation quality

When placing an order, our customers are guaranteed quality. We take all appropriate steps to ensure that we fulfil their requirements and that the highest possible level of service is provided.

Monjasa has a formal Health, Safety, Environment, and Quality management system. We are proud of the fact that since 2014, Monjasa have accreditation to the following global standards across all of our offices and operations in Europe, the Americas, the Middle East and Southeast Asia:

- OHSAS 18001 Occupational Health and Safety Management
- ISO 14001 Environmental Management
- ISO 9001 Quality Management

Monjasa has a strong commitment to providing a safe working environment for all of our employees, whilst also ensuring the safety of those who work with us. Protection to the environment 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 this. Compliance with all relevant legislative requirements globally is of utmost importance.

98.7% satisfied customers

Customer feedback is important to us. It provides Monjasa with a platform for managing and improving our overall business. Furthermore, these measurements are key to living up to our ISO 9001 Quality Management certification. We strive to ensure that our customers are happy and should any deviations occur, appropriate action is taken.

The surveys which have been completed in 2016 show that we have attained a customer satisfaction rate of 98.7%.

2016

The **International Organisation of Standardisation** (ISO) is an independent organisation and the world's largest developer of standards.

2016

Victor Frederic Garcia-Bragado Garzo
Head of Compliance

Compliant in less than a second

Every month, we have thousands of queries going through our compliance screening, and thanks to our new systems, this happens quickly and seamlessly.

Monjasa has made significant investments in upgrading our compliance systems and in integrating them in the day-to-day of our business. Although finding customers and vessels to supply is the core of Monjasa's business, dealing with the wrong company or supplying non-compliant or sanctioned vessels these days can have critical effects on our ability to operate. This is why the Compliance department has become fully integrated in our business workflow through counterparty and vessel screening systems.

Screening of IMO numbers

We have implemented systems that allow us to operationalise regulatory requirements in innovative ways. One example is how we have built work flows where our bunker traders can get full sanctions and compliance details on a vessel in less than a second by entering its IMO number at the stage of inquiry. We are at this point able to tell if this is a business we feel comfortable pursuing or not.

Moreover, compliance always checks for sanctions, adverse media, political exposure, and other risk factors before traders start dealing with a new customer or vendor.

Altogether, we have thousands of queries through our system, giving us the granular picture of the business that is required to ensure we are always compliant.

We are truly confident about Monjasa's compliance performance, and it is because we have the right people and innovative tools in place.

Reducing the cost of green energy

Monjasa Holding A/S' Dutch subsidiary, C-bed Floating Hotels, plays an integral role in the transition towards renewable energy sources.

In the financial year 2016, all three C-bed Floating Hotel vessels were employed on different European wind farm projects. Carefully positioned in the heart of the wind farms during the lengthy commissioning phases, interrupted only by 12-hour port calls every four-five weeks, the C-bed concept allows for on-site accommodation for up to 150 technicians in single cabins. This eliminates the need for shore side logistics and transporting personnel and equipment from shore to the wind farms in the mornings, and then vice versa at the end of the work day.

During the past years, project distances to shore have gradually increased to up to six hours of transportation each way. Ultimately, this means that the services C-bed became first movers to launch, and still provide, have made it possible to further push development of green energy solutions by positioning wind farms further out at sea.

The C-bed concept at a glance

All vessels are UK flagged and provide either helicopter and/or boat landing arrangements, motion compensated walk-to-work gangway, classic hotel services, extensive fitness facilities, cinema, restaurants, office environments as well as advanced VSAT solutions offering Wi-Fi and safe VPN communication. Lastly, we added our experienced crew and ISO and OHSAS Quality Management certifications to deliver on our promise of making project logistics work seamlessly from day one.

In 2016, the C-bed fleet consisted of the three vessels, Wind Innovation, Wind Ambition, and Wind Solution.


c-bed.nl
FLOATING HOTELS
SIEMENS

The Monjasa Group Executive Management

2016

Group Chief Executive Officer,
Anders Østergaard

2016

Group Chief Financial Officer,
Kenneth Henriks

2016

Group Chief Operating Officer,
Svend Stenberg Mølholt

Management structure

Monjasa Holding A/S has a two-tier management structure consisting of the Board of Directors and Executive Management.

The Board of Directors supervises the overall performance of the company, its management and organisation. With the Executive Management team, it also sets out the company strategy.

The Executive Management has the responsibility of driving the company's daily business according to its corporate purpose and regularly report to the Board of Directors.

Statement from our Group CFO

Following a 14-years string of solid annual accounts, Monjasa Holding A/S delivered an unsatisfactory performance in 2016. The widespread overcapacity in most shipping segments resulted in lower activity and squeezed earnings in all Monjasa's main markets.

2016 was a dreadful year for almost all global oil and shipping companies. And Monjasa Holding A/S was no exception. With a downward trending demand for transportation of goods as well as decreasing oil and gas offshore activities, we experienced headwinds in all main markets. Further, multiple important non-recurring expenditures impacted the result of the year negatively.

Market wise, the Group essentially maintained its 2015 market shares across both our reselling and physical supply activities. The total volume of supplied oil products reached 3.8m metric tonnes (2015: 4.1m) corresponding to a modest decrease of 7%.

KEY PERFORMANCE INDICATORS

The overall financial performance of the Group was very unsatisfactory to the management.

Total revenue decreased from USD 1.6bn to USD 1.2bn due to a 19% fall in 2016-oil prices and lower supply volumes.

Group operations (EBIT) was USD -17m while the result of the year amounted USD -26m (USD 24m). Concurrently, the return on equity of -20.1% (17.9%) is clearly unsatisfactory.

Despite this negative outcome of 2016, I can say that Monjasa Holding A/S remains a robust business partner and as of 31 December 2016, the consolidated Group equity amounts to USD 113m (USD 144m).

Our company's strong solvency ratio of 36.2 (39.6) allows for us to continue optimising our Group to face a new financial reality in oil and shipping.

STRONG CASH MANAGEMENT RESULTS ACROSS THE GROUP

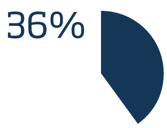
Throughout 2016, the Group's focus remained on optimising our core business performance and exercising classic cash management disciplines. During the year, the trade related working capital of the Group improved with a total of USD 75m with positive impacts from e.g. credit terms, and reduced inventory. As an example, oil inventory has declined during 2016 and is down to USD 54m (USD 63m).

LOOKING AHEAD WITH CONFIDENCE

As a result of our cash management efforts and adjustment of our fleet size from 26 to 20 tanker vessels to better meet the fuel demand, we are pleased to see that the first four months of 2017 shows a positiv result. Further, negotiations with several new banks to reach an adequate and flexible future Group financing model are ongoing and expected to finalise within 2017.

Kenneth Henriks - (Group Chief Financial Officer)

Key figures 2016



Solvency ratio indicates solid financial position

Total supply volume decrease

Reduction in trade related working capital

2016

Kenneth Henriks,
Group Chief Financial Officer

2016

The DMCC award is a **pat on the shoulder** to everyone at our office in Dubai.

Best Maritime Company 2016 in Dubai

31 May 2016, Managing Director for Monjasa DMCC, Mikkel Jacobsen, proudly received the Dubai Multi Commodities Centre (DMCC) Award for Best Maritime Company 2016.

The DMCC counts +12,000 leading businesses in Dubai and the judging panel emphasised several years of successful growth and Monjasa's approach to quality and risk management as main reasons for the acknowledgment.

DMCC launched the Members Awards to recognise top performance, innovation and growth across 21 awards categories and +12,000 companies based in its Free Zone in Dubai.

An award for advancing trade in the U.A.E. and West Africa

"I am truly honoured to receive this DMCC Award for Best Martime Company 2016 on behalf of Monjasa. In particular, since some of the world's greatest maritime and shipping companies are also part of the DMCC. However, this award is not for me but for all my colleagues on land and at sea who play an important role in advancing sea trade in the U.A.E. and West Africa.

Two colleagues started up Monjasa DMCC exactly 10 years ago and since then, we have grown considerably in both size and financial strength. Today, we are an ISO and OHSAS certified company with 65 colleagues and operating 17 ships on a daily basis," says Mikkel Jacobsen.

This is what the DMCC judging panel said

"Founded in 2006, Monjasa DMCC's staff and fleet size has increased year on year in Dubai, operating throughout the Arabian Gulf and West Africa. Monjasa's commitment to compliance and risk management makes the company part of an exclusive club of Bureau Veritas certified bunker suppliers."

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of Monjasa Holding A/S for the financial year 1 January 2016 – 31 December 2016.

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

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the parent's financial position at 31 December 2016 and of the results of the Group's and parent's operations and the Group's cash flows for the financial year 1 January 2016 – 31 December 2016.

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

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

Fredericia, 29 May 2017

Executive Management

Anders Østergaard

Kenneth Henriks

Svend Stenberg Mølholt

Board of Directors

Christian Merrild
Chairman

Anders Østergaard

Flemming Ipsen

Tage Bundgaard

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MONJASA HOLDING A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Monjasa Holding A/S for the financial year 1 January 2016 - 31 December 2016, 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 December 2016, and of the results of their operations and the consolidated cash flows for the financial year 1 January 2016 - 31 December 2016 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 consoli-dated 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, Manage-ment is responsible for assessing the Group's and the Parent's ability to continue as a going con-cern, for disclosing, as applicable, matters related to going concern, and for using the going con-cern basis of accounting in preparing the consolidated financial statements and the parent finan-cial 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 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. Reason-able assurance is a high level of assurance, but is not a guarantee that an audit conducted in ac-cordance 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 consid-ered 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.

INDEPENDENT AUDITOR'S REPORT

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 mis statement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related dis closures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the conso lidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evi-dence obtained up to the date of our auditor's report. However, future events or condi-tions may cause the Group and the Entity to cease to con-tinue 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, 29 May 2017

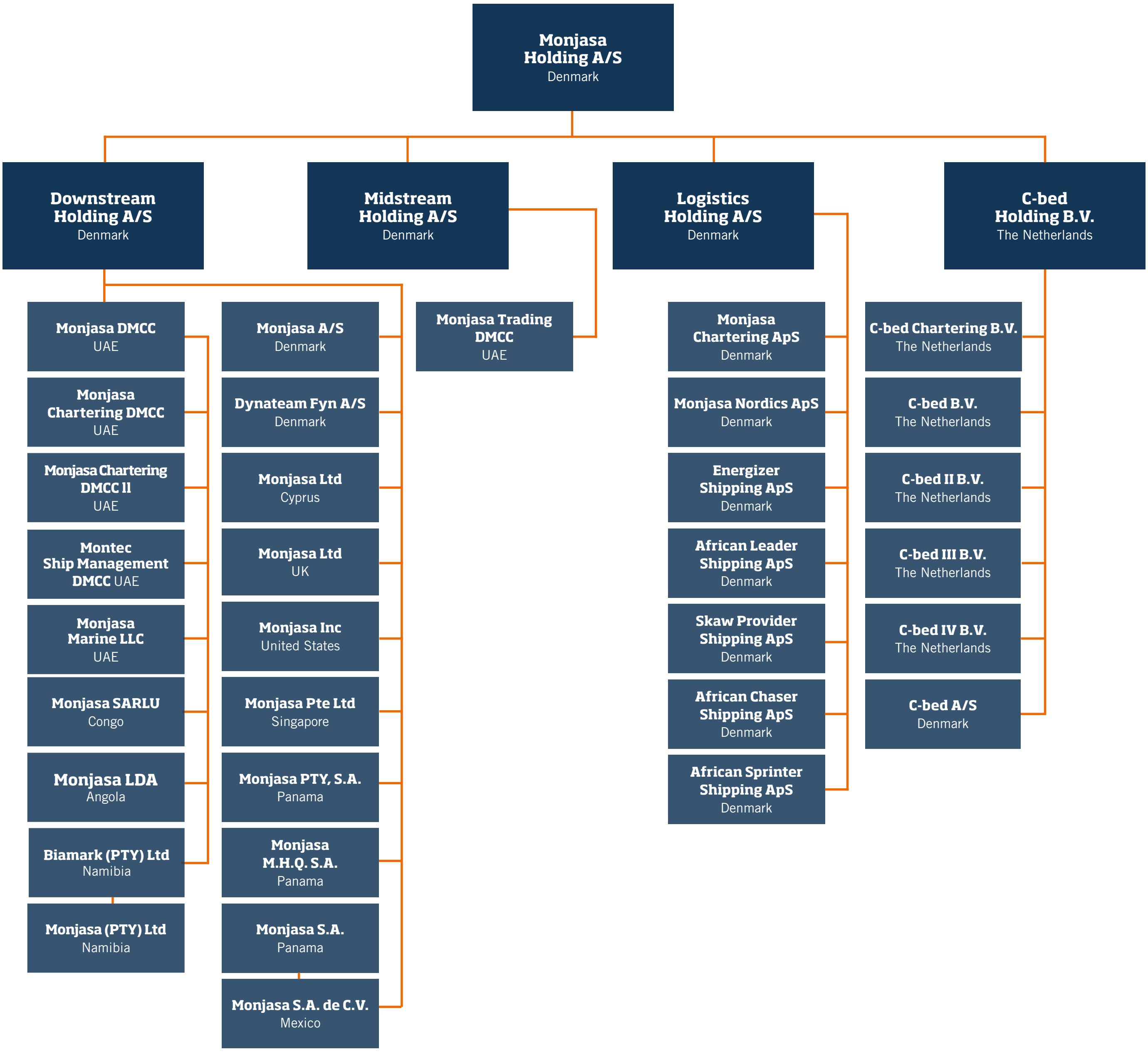
Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Siggaard Hansen State-Authorised Public Accountant	Kåre Valtersdorf State-Authorised Public Accountant

2016

The expansion of the **Panama Canal** to fit post panamax vessels is a game changer in global shipping.

Group chart


Monjasa Holding A/S Denmark
Downstream Holding A/S Denmark
Midstream Holding A/S Denmark
Logistics Holding A/S Denmark
C-bed Holding B.V. The Netherlands
Monjasa DMCC UAE
Monjasa Chartering DMCC UAE
Monjasa Chartering DMCC II UAE
Montec Ship Management DMCC UAE
Monjasa Marine LLC UAE
Monjasa SARLU Congo
Monjasa LDA Angola
Biamark (PTY) Ltd Namibia
Monjasa (PTY) Ltd Namibia
Monjasa A/S Denmark
Dynateam Fyn A/S Denmark
Monjasa Ltd Cyprus
Monjasa Ltd UK
Monjasa Inc United States
Monjasa Pte Ltd Singapore
Monjasa PTY, S.A. Panama
Monjasa M.H.Q. S.A. Panama
Monjasa S.A. Panama
Monjasa S.A. de C.V. Mexico
Monjasa Trading DMCC UAE
Monjasa Chartering ApS Denmark
Monjasa Nordics ApS Denmark
Energizer Shipping ApS Denmark
African Leader Shipping ApS Denmark
Skaw Provider Shipping ApS Denmark
African Chaser Shipping ApS Denmark
African Sprinter Shipping ApS Denmark
C-bed Chartering B.V. The Netherlands
C-bed B.V. The Netherlands
C-bed II B.V. The Netherlands
C-bed III B.V. The Netherlands
C-bed IV B.V. The Netherlands
C-bed A/S Denmark

FIVE-YEAR FINANCIAL HIGHLIGHTS

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

Group

Key figures	2016	2015	2014	2013	2012
	USD '000	USD '000	USD '000	USD '000	USD '000
Income statement					
Revenue	**1.158.652**	**1.601.930**	**2.548.369**	**2.107.335**	**1.472.595**
Gross profit	30.007	66.045	67.793	62.803	41.693
Profit/loss before financial income and expenses	-17.355	29.565	35.220	39.640	25.179
Net financials	-12.218	-1.301	-5.233	-2.690	-1.730
Net profit/loss for the year	**-25.825**	**23.684**	**22.385**	**34.391**	**19.871**
Balance sheet					
Balance sheet total	312.179	363.446	344.370	365.364	233.657
Equity	112.997	144.130	124.464	107.814	71.602
Cash flow from:					
- operating activities	82.971	74.471	-9.857	-1.028	-793
- investing activities	-28.800	-27.418	-15.697	-14.112	-12.166
- investment in tangible assets	-27.808	-37.410	-18.943	-13.452	-11.983
- financing activities	-72.155	-2.258	23.755	12.984	6.832
Change in cash and cash equivalents for the year	**-17.984**	**44.795**	**-1.799**	**-2.156**	**-6.127**
Average number of employees	643	635	560	468	394
Ratios					
Gross margin	2,6%	4,1%	2,7%	3,0%	2,8%
Profit margin	-1,5%	1,9%	1,4%	1,9%	1,7%
Return of assets	-5,6%	8,2%	10,2%	10,8%	10,8%
Equity ratio (Solvency)	36,2%	39,8%	36,2%	29,5%	30,6%
Return on equity	-20,1%	17,9%	19,3%	38,3%	32,6%

REVIEW

1.0 MAIN ACTIVITY

The main activity of the Group comprises sale, purchase, and transportation of oil products primarily 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.

2.0 DEVELOPMENT IN THE YEAR

Group operations (EBIT) reached USD -17 million in 2016 (2015: USD 30 million), which is unsatisfactory.

The net result after tax for 2016 amounts to USD -26m and at 31 December 2016 equity amounts to USD 113m. The Group net result is below 2015-level (USD 24m). The net result was affected by lower trading volumes, the overall slowdown in the global maritime shipping markets, strong competition in some of the Group core markets as well as non-recurring items of expenditures.

Management considers the net result achieved very unsatisfactory.

Concurrently, the return on equity of -20.1% (2015: 17.9%) is clearly unsatisfactory.

3.0 THE MONJASA GROUP

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

Monjasa Group has an independent Board of Directors, who sets out guidelines for management and the administration through the Group strategy. The implementation process and day-to-day management is carried out independently by each Group entity.

Overall, the business areas are divided into three main activities: bunker oil trading, tanker operation, and offshore wind.

The bunker oil activity comprises worldwide trading and transport of oil products primarily for the maritime sector, as well as physical supply of marine fuel at various in-port and offshore locations. Monjasa focuses on providing value-added services such as global geographical coverage, granting of trade credit, issuing of technical and commercial advice, as well as offering a one-shop-brand worldwide underlined by the statement "we are Monjasa in every port".

The tanker vessel activity contains several single shipowning 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.

3.1 Bunker oil activity

In 2016, the Group consolidated its core business and continued to improve the overall global coverage and organisational structure. The Group has physical operations in West Africa, the Middle East and Europe.

In Europe, the Group established a new office location in Limassol in Cyprus to be closer to the Cypriotic shipping market.

The tanker fleet was reduced in 2016 to 20 vessels following the decline in demand (2015: 26 vessels). 18 of the tanker vessels are operated on time- or bare-boat charter agreements. Two of the tanker vessels are owned by the Group.

The Group's oil inventory holdings at year-end 2016 amounted to USD 54m (2015: USD 63m).

Average oil price in USD (Brent Spot)

Source: EIA

The bunker oil inventories experience a high turnover ratio, effectively corresponding to the time it takes to transport the bunker oil from a main storage to the clients' vessels, ranging typically from a few hours up to a few days. Total revenue from the bunker oil activity decreased in 2016, as a result of a lower average oil price and lower demand combined with stronger competition in some of the main markets. In 2016, the Group for the first time saw a decrease in sales measured in metric tonnes of 7% compared to 2015 (from 4.1 mio. metric tonnes in 2015 to 3.8 mio. metric tonnes in 2016).

Other external expenses and staff expenses have increased compared to the previous year. Sharpened focus on the core business reversed the trend in the latter part of 2016 and a lower cost level is currently projected for 2017.

However, the Management foresees a continued highly competitive global bunker market due to the low oil price levels and an overall increasingly income-challenged maritime shipping industry. General market conditions may therefore negatively impact the operating result.

3.2 Tanker vessel activity

In 2016, the tanker vessel activity consisted of single shipowning companies, and companies chartering vessels from external ship owners, catering to the vessel requirements for bunkering activities within the Group.

Tanker vessels are not acquired for the purpose of 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. Hence, the Group prioritises to be light on vessel ownership and to charter vessels whenever possible.

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 2017. Consequently, the Group has provided corporate taxes payable and deferred tax for the Danish activities based on the statutory Danish tax rate.

By year-end 2016, two tankers are fully owned by the Group ("African Leader" and "African Chaser"). Further, combined lease and purchasing agreements exist for two additional tankers ("Skaw Provider" and "African Sprinter"). These ships will be taken over no later than 2019 and 2020 respectively.

3.3. Offshore wind activity
Revenue and EBIT from the offshore wind activity were below levels in 2015 albeit better than expected.

In 2016, the offshore wind activity contained three Dutch single ship/owning companies C-bed B.V., C-bed II B.V., and C-bed IV B.V. In February 2016, C-bed IV B.V. started chartering out the 2015 acquired state-of-the-art ASV, the MS 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.

4.0. TARGETS AND EXPECTATIONS FOR 2017

4.1. Bunker oil activity
In 2017, the bunker oil activity is expected to improve after a difficult 2016 and the Management expects increasing levels of sales measured in metric tonnes.

4.2. Tanker vessel activity
The business is expected to remain stable and revenue and net result are expected to be on the same levels as in 2016.

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

4.3. Offshore wind activity
With the 3 vessels "Wind Solution", "Wind Ambition", and "Wind Innovation" in the portfolio, C-bed expects to remain a market leader within offshore wind in the years to come. As a result of the new market demand for vessels, we foresee possible deteriorating occupation for the conventional C-bed-vessels in the years to come with lower utilisation as a consequence.

For all three ships, contracts have been signed for most of 2017. There are no further investment plans within the C-bed fleet in 2017.

Revenue and net result are expected to be above the level seen in 2016.

4.4 Overall
Based on the continued cost focus from 2016 and commercial development we have seen in the beginning of 2017, the net result for the Monjasa Group is expected to be a significant improvement compared to 2016 and in the region of USD 5-10m.

The expectations to the 2017 financial performance are naturally subject to uncertainty and in particular with respect to the development in global shipping markets and oil prices.

5.0. CAPITAL RESOURCES

Increased focus on cash management and lower activity led to reduced working capital requirement and therefore the cash flow was satisfactory during 2016.

During 2016, the borrowing base scheme has gradually been reduced and was finally unwinded 31 March 2017.

With an equity ratio of 36.2%, Management considers the Group to be in a strong financial position ready to meet the market challenges.

The significant working capital improvement achieved in 2016 enabled the re-payment of the previous borrowing base facility as described in our 2015 annual report. The Group continuously pursues diversifying the sources of financing and will continue these efforts beyond what was accomplished during 2016 to maintain a financing that is competitive and supportive of the further commercial development.

6.0. OPERATING AND FINANCIAL RISKS

6.1. Operating risks

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

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

6.1.2. Offshore wind
The offshore wind turbine 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 turbine industry is generally favoured by state grants, the industry is to some extent exposed to potential political intervention.

6.1.3. Hijacking

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

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

6.1.4. Market risks

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

The Group continuously hedges minimum 75% and usually more than 95% of its oil price exposure.

6.2 Financial risks

6.2.1. Bunker oil

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

6.2.2. Offshore wind

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

6.2.3. Interest rate risks

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

6.2.4. Refinancing risks

Management adjusts the financial resources concurrently to facilitate future growth and provide for the challenges of a volatile oil price marked.

Management continuously monitors developments and pursue diversified and adequate financing to support future business development activities.

6.2.5. Credit risks

Granting credit to counterparts represents a high 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 and credit rating models, which are being regularly updated to fit the state of the industry at all times.

No change in 2016 to the expectations to loss on debtors compared to previous years.

7.0 STRATEGY AND CORPORATE PURPOSE

7.1 Strategy

The Group strategy originates from the fundamental desire to provide excellent service on the long term. Hence, quality in our performance comes before fixed targets for future growth and expansion. The shareholders want excellence to propel the Group forward, and through laying every brick with care to further develop a leading position as energy provider.

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

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

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

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

- **Respect**

We seek to gain global recognition as a professional Group by being capable of solving the most challenging tasks posed to us. Mutual respect is entrenched in our corporate culture. We respect our business partners, our fellow colleagues, and our professional tasks.

- **Ambition**

We must never lean back and be satisfied with the status quo. Our corporate culture is characterised by our constant strive for improvement - to do the job better than others - and to do the job better than we did the last time.

- **Curiosity**

As a Group of companies and individuals, we are curious about our business environment. By constantly acquiring new and in-depth knowledge, we enhance the collaboration with clients and vendors alike.

- **Smile & Joy**

It must be fun to work! We take our work seriously and pride ourselves as professionals. It is equally important that we make room for smiles and mutual encouragement both internally and towards our business partners. We believe that exercising positive spirit and willingness to help are invaluable parts of our work culture, and in this respect we deeply believe in 'what you give is what you get'. Success in this respect would be achieved when employees regard Monjasa more like a challenging hobby rather than hard work.

7.2. Corporate purpose

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

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

Monjasa means personal business

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

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

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

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

8.0. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

8.1. SAFETY, HEALTH, ENVIRONMENT AND CLIMATE

Monjasa has a strong commitment to providing a safe working environment for all our employees, whilst also ensuring the safety of those who work with us. 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.

Occupational Health and Safety Management (OHSAS 18001:2007)

In 2016, 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 in 2017 once released by the ISO.

We developed our own smartphone Emergency Application in 2016. The application allows employees to access the necessary emergency contact details for their place of work as well as other geographical locations (onshore and offshore) which they may visit whilst carrying out operations or on business trips. The second revision of the application will be released in 2017 with emergency procedures for man-made and natural emergency situations by office location, with a risk analysis based on historic events.

In 2016, we revised our workplace assessment in line with section 15a. (1) of the Danish Working Environment Act. The workplace assessment was available via the company SharePoint to make it more user friendly and was completed by all employees in the Danish subsidiary Monjasa A/S in 2016. In 2017, we aim to ensure all other onshore offices and sites complete the workplace assessment.

The Monjasa Academy conducted 39 unique training and competency development activities in 2016 with a total of 2,366 hours spent on training across the group. For example, employees globally participated in a mandatory IT Security e-module to learn how to deal with cybercrime. Personnel at Skaw Terminal went through First Aid and Fire Marshal training to tackle health and safety situations that may arise.

Training has also been conducted for team leaders in the organisation to strengthen leadership capabilities.

2016 Awards:

Monjasa's crew operating the tanker vessel M/T Accra were selected and awarded 'Seafarer of the Year 2016' by Lloyd's List,

Middle East and Africa. This award was acknowledging the captain and crew on board for a rescue operation, which took place during passage of the Mozambique Channel.
In 2016, the Dubai Multi Commodities Centre (DMCC) awarded Monjasa DMCC 'Best Maritime Company' for the strong approach the business takes towards quality and risk management.

Environmental Management (ISO 14001:2015)
In 2016, the Group delivered 3.8 million metric tonnes of fuel and experienced zero environmental incidents on any 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 now has a Zero Tolerance Policy in the respect of this commitment and has an objective plan for its implementation in 2017.

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 2016, we conducted two awareness campaigns on our C-bed vessels to help raise awareness on different ways to reduce energy for our clients and crew. In Q2 of 2017, it is the aim to provide further information, instruction and training to key personnel involved in energy management to increase the level of competency and to ensure all objectives set by Monjasa and C-bed are achieved.

8.2. TRANSPARENCY AND ETHICS

Transparency and Ethics are inseparable from Monjasa's value of respect and we strive to put this in practice in every part of our business. We firmly believe that working towards the eradication of bribery and corruption is not only in Monjasa's interest, but also in the interest of the communities in the areas where we operate.

Monjasa has a zero-tolerance policy concerning bribery and corruption. Our policy 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 2016, we reinforced our Anti-Bribery and Anti-Corruption (ABAC) framework in preparation for obtaining the TRACE Compliance Certification during the first half of 2017. We are also focusing on the newly developed ABAC management system under ISO 37001:2016, aiming for accreditation later in 2017. These preparations include building systems to monitor, record, and escalate any potential issues with gifts and hospitality, facilitation payments and interactions with third parties at risk of bribery and/or corruption. These changes bring clarity about our commitments both internally (staff know what is expected), and externally (our partners and stakeholders are aware of where we stand).

After discussions throughout 2016, Monjasa decided to establish a framework for anonymous whistle blowing that will go live during the first half of 2017. Overall, our tools to address transparency and ethics in Monjasa have become much more sophisticated during 2016, and we are well in line with industry standards, if not surpassing them.

Anti-bribery and anti-corruption
We have continued to provide compliance training to all our employees to reinforce transparency and ethics. Completing our ABAC e-learning is a compulsory part in the on-boarding of new employees. In 2017, we aim to ensure this e-learning is completed on a yearly basis by all employees across the Group.

As of 31 December 2016 100% of Monjasa employees have completed this training, with a total 289 participants during the year.

We have also held training sessions on gifts and hospitality for trading and finance staff in December 2016, educating 99 employees on our processes.

We strongly believe that unless employees are aware of what is expected of them and know how to react in at-risk situations, we cannot truly build a culture of transparency and ethics. Therefore, we have made four individual Group communication efforts in 2016 to support these aspirations.

Monjasa became a member of the Maritime Anti-Corruption Network (MACN) in 2016. The MACN is a global business network, working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society, a goal that Monjasa shares. We continue being engaged in the network, moving forward to learn from peers and to address the challenges involving bribery and corruption in the maritime sector during 2017.

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.

Quality Management (ISO 9001:2015)
Customer feedback is important to us. It provides Monjasa with 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 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 2016, show that we have attained a customer satisfaction rate of 99.26%.
In 2016, we revised our pre-qualification questionnaire (PQQ) to ensure an adequate level of HSEQ, compliance and CSR efforts are being met by business partners conducting outsourced work on our behalf (B2B supplies). In 2017, we aim to

achieve a 100% questionnaire return rate from B2B suppliers being used across the Group.

8.3. DIVERSITY, WORKING ENVIRONMENT, EQUALITY AND HUMAN RIGHTS

8.3.1 Diversity

Monjasa is a diverse workplace and employees are encouraged to express themselves freely. The Group has a global workforce of 45 nationalities; there is opportunity to work together, exchanging ideas, and aiming for continual improvement, which creates mutual benefit for all employees.

In 2016, Monjasa Academy encouraged diversity and cross-cultural understanding by facilitating insights® team workshops. The aim of such workshops is to gain understanding of various profiles to improve team communication as well as inter-cultural understanding.

8.3.2 Working environment

We place a great emphasis on offering the best possible working conditions across the Group. This includes a safe and healthy environment, which in return 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 2016 for its risks; this includes those, which may result in man-made workplace emergency situations.

In 2017, natural emergency situations will be evaluated for each office location, the risks will be evaluated by taking into consideration historic events.

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 2016, we conducted employee engagement surveys (EES) across the Group. The EES encourages employees to provide their honest opinion in a confidential manner. This means that, only the third-party organisation facilitating the EES can see the results by the responder. The 2016 EES results have shown a high level of satisfaction, with an average of 8.2 out of 10 for overall job satisfaction. Furthermore, the results indicated that employees were pleased with the learning opportunities provided Monjasa and their immediate managers.

8.3.3. Equal rights

Reflecting the structure of society includes representation of both genders in the global organisation of the Group, which is a natural priority to Management. Balance is a key element in all long-term performances, hence, the Group provides equal access to career opportunities for both genders. In other words, we always prioritise talent and performance above gender.

8.3.4. Human rights

The Universal Declaration of Human Rights, adopted by the UN General Assembly, forms part of Monjasa's pre-qualification questionnaire which is completed by all new and existing business B2B suppliers.

No violations of human rights among suppliers or other business partners were reported to Group Management during 2016.

Monjasa applies anti-discrimination and anti-harassment guidelines on a group level. These guidelines are included in the 'Monjasa Employee Handbook', which is handed out to all employees and is available on the Group's intranet.

8.4. SOCIAL RESPONSIBILITY

Social responsibility has been a part of the Monjasa Group DNA since the company's inception. The Monjasa Foundation was developed 2015, its 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 2016, Monjasa engaged in various non-profit making projects. Examples of such projects include Smile Train, an international children's charity that provides 100% free cleft repair surgery and comprehensive cleft care to children in 85+ developing countries. In addition to this, Monjasa supports social developments in the communities where it has its core markets for developing local sports and performing arts activities for the benefit of young people and the community.

8.5. Gender distribution

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

Monjasa 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.

While there has been a slight dip in female composition of employees in the organisation from 39% in 2015 to 36% in 2016, it is worthwhile to note that 44% of newly recruited employees in 2016 are females. The female representation of managers reduced from 26% to 18% in 2016. This was attributed to mainly males filling a handful of newly created managerial positions in 2016. 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.
By the end of 2016, this goal has not been reached. In order to mitigate any form of unconscious bias in the recruitment and promotion processes, the HR department intends to spread awareness in these areas during manager training courses and relevant dialogue with managers. Such messages will also be incorporated in performance management/review framework to be developed over the next two years.

9.0. MANAGEMENT SYSTEM CERTIFICATIONS

Monjasa maintains ISO 9001, ISO 14001, 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.

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, the Group is thereby reducing the overall risk profile. Monjasa's counterparts can thereby rely on doing business with a Group that systematically manages all risks associated to our worldwide activities.

10.0. INTELLECTUAL CAPITAL RESOURCES

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

11.0. UNCERTAINTY RELATING TO RECOGNITION AND MEASUREMENT

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

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

11.2. Receivables from associates
The Group has recognised a receivable from an associate of USD 11 million. Uncertainty exists regarding timing of the receivable due to local restrictions on transferring cash out of the jurisdiction.

11.3. Valuation of vessels
In 2016, the fleet of Group owned vessels has been assessed for possible impairment. There has been identified a minor need to write-down one of the vessels (African Leader) by USD 0.2 million.

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

12.0. UNUSUAL CIRCUMSTANCES

Compared with other years, 2016 has been an exceptionally difficult year for the shipping industry and companies associated therewith. This has of course also affected Monjasa and has had a significant impact on profit and balance.

13.0. INVESTMENTS IN SUBSIDIARIES

Solvency is maintained at an adequate level in all subsidiaries and therefore no additional capital injunction was required in 2016.

14.0. SUBSEQUENT EVENTS

14.1 Changes in the business
No material changes in the business have occurred during 2017.

14.2. Capital resources
The improved working capital levels enabled final winding down of the borrowing base scheme by 31 March 2017.

2016

Our strong team in Panama City, October 2016


MONJASA

FINANCIAL STATEMENT

INCOME STATEMENT

		Group		Parent company	
	Note	2016	2015	2016	2015
		USD '000	USD '000	USD '000	USD '000
Revenue	1	1.158.652	1.601.930	0	0
Other operating income		55	3.373	2.148	2.071
Cost of sales		-1.102.302	-1.500.709	0	0
Other external expenses		-26.398	-38.549	-3.894	-9.450
Gross profit/loss		**30.007**	**66.045**	**-1.746**	**-7.379**
Staff expenses	2	-37.046	-29.049	-4.167	-1.702
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment	3	-10.316	-7.431	-155	-131
Profit/loss before financial income and expenses		**-17.355**	**29.565**	**-6.068**	**-9.212**
Income from investments in subsidiaries after tax	4	0	0	-19.554	33.262
Financial income	5	23.234	24.723	0	2.828
Financial expenses	6	-35.452	-26.024	-1.233	-3.535
Profit/loss before tax		**-29.573**	**28.264**	**-26.855**	**23.343**
Tax on profit/loss for the year	7	3.748	-4.580	1.030	341
Net profit/loss for the year	**8**	**-25.825**	**23.684**	**-25.825**	**23.684**

FINANCIAL STATEMENT

BALANCE SHEET
ASSETS

		Group		Parent company	
	Note	2016	2015	2016	2015
		USD '000	USD '000	USD '000	USD '000
Goodwill		327	467	0	0
Software and licences		2.033	1.192	0	0
Intangible assets	9	**2.360**	**1.659**	**0**	**0**
Land and buildings		5.108	4.400	0	0
Ships		70.445	53.039	0	0
Other fixtures and fittings, tools and equipment		4.602	5.253	379	465
Leasehold improvements		502	546	0	0
Tangible fixed assets	10	**80.657**	**63.238**	**379**	**465**
Investments in subsidiaries	11	0	0	115.995	145.234
Investments in associates	12	0	0	0	0
Receivables from associates		0	106	0	0
Other investments	13	246	216	0	0
Deposits	13	1.822	1.956	0	0
Fixed assets investments		**2.068**	**2.278**	**115.995**	**145.234**
Fixed assets		**85.085**	**67.175**	**116.374**	**145.699**
Stocks		**54.246**	**63.376**	**0**	**0**

FINANCIAL STATEMENT

BALANCE SHEET
ASSETS

		Group		Parent company	
	Note	2016	2015	2016	2015
		USD '000	USD '000	USD '000	USD '000
Trade receivables		110.232	134.224	0	0
Receivables from group enterprises		0	0	6.614	1.141
Receivables from associates		12.371	16.302	11.227	14.176
Other receivables		4.821	17.184	165	0
Tax receivables		4.021	1.081	1.061	1.246
Prepayments	14	8.659	13.075	110	110
Receivables		**140.104**	**181.866**	**19.177**	**16.673**
Cash at bank and in hand		**32.744**	**51.029**	**276**	**813**
Current assets		**227.094**	**296.271**	**19.453**	**17.486**
Assets		**312.179**	**363.446**	**135.827**	**163.185**

FINANCIAL STATEMENT

BALANCE SHEET
LIABILITIES AND EQUITY

		Group		Parent company	
	Note	2016	2015	2016	2015
		USD '000	USD '000	USD '000	USD '000
Share capital	15	85	85	85	85
Reserve for net revaluation under the equity method		0	0	101.772	133.935
Retained earnings		112.912	140.045	11.140	6.110
Proposed dividend for the year		0	4.000	0	4.000
Equity		**112.997**	**144.130**	**112.997**	**144.130**
Provision for deferred tax	16	2.086	2.986	1	4
Provisions		**2.086**	**2.986**	**1**	**4**
Credit institutions	17	10.713	9.392	0	0
Lease obligations	17	7.083	8.930	0	96
Other payables		0	33	0	33
Long-term debt		**17.796**	**18.355**	**0**	**129**

FINANCIAL STATEMENT

BALANCE SHEET
LIABILITIES AND EQUITY

		Group		Parent company	
	Note	2016	2015	2016	2015
		USD '000	USD '000	USD '000	USD '000
Credit institutions	17	35.009	102.672	79	75
Lease obligations	17	1.811	1.671	70	0
Prepayments received from customers		141	118	0	0
Trade payables		129.927	87.266	1.932	165
Payables to group enterprises		0	0	16.774	15.793
Payables to associated enterprises		3.968	1.609	3.959	67
Corporation tax		940	0	0	0
Other payables	18	7.504	4.639	15	2.822
Short-term debt		**179.300**	**197.975**	**22.829**	**18.922**
Debt		**199.182**	**216.330**	**22.830**	**19.051**
Liabilities and equity		**312.179**	**363.446**	**135.827**	**163.185**

Contingent assets, security, liabilities and other financial obligations	19
Fee to auditors appointed at the general meeting	20
Related parties and ownership	21

FINANCIAL STATEMENT

STATEMENT OF CHANGES IN EQUITY

	Group			
	Share capital	Retained earnings	Proposed dividend for the year	Total
	USD '000	USD '000	USD '000	USD '000
Equity at 1 January 2016	85	140.045	4.000	144.130
Dividend paid	0	0	-4.000	-4.000
Exchange adjustments relating to separate foreign legal entities	0	-1.308	0	-1.308
Net profit/loss for the year	0	-25.825	0	-25.825
Equity at 31 December 2016	**85**	**112.912**	**0**	**112.997**

	Parent company				
	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend for the year	Total
		USD '000	USD '000	USD '000	USD '000
Equity at 1 January 2016	85	133.935	6.110	4.000	144.130
Dividend paid	0	0	0	-4.000	-4.000
Dividend received from investments in subsidiaries	0	-11.000	11.000	0	0
Exchange adjustments relating to separate foreign legal entities	0	-1.308	0	0	-1.308
Net profit/loss for the year	0	-19.855	-5.970	0	-25.825
Equity at 31 December 2016	**85**	**101.772**	**11.140**	**0**	**112.997**

FINANCIAL STATEMENT

CASH FLOW STATEMENT

	Note	Group 2016 USD '000	Group 2015 USD '000
Net profit/loss for the year		-25.825	23.684
Adjustments	22	18.792	10.920
Change in working capital	23	87.228	57.699
Cash flows from operating activities before financial income and expenses		**80.195**	**92.303**
Financial income received		30.545	15.243
Financial expenses paid		-28.173	-26.024
Cash flows from ordinary activities		**82.567**	**81.522**
Corporation tax received/paid		404	-7.051
Cash flows from operating activities		**82.971**	**74.471**
Purchase of intangible assets		-1.085	-555
Purchase of property, plant and equipment		-27.808	-37.410
Sale of property, plant and equipment		93	10.547
Cash flows from investing activities		**-28.800**	**-27.418**
Proceeds from borrowings from credit institutions		14.179	0
Repayment of loans to credit institutions		-80.521	-8.079
Change in loans to associates		-106	1.472
Change in lease obligations		0	6.617
Repayments of lease obligations		-1.707	-635
Dividends paid		-4.000	-1.633
Cash flows from financing activities		**-72.155**	**-2.258**
Change in cash and cash equivalents		**-17.984**	**44.795**
Cash and cash equivalents at 1 January		51.029	4.293
Exchange rate adjustments		-301	1.941
Cash and cash equivalents at 31 December		**32.744**	**51.029**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

1 Segment information	Group
	Revenue
	USD '000
Business segment 2016	
Oil	1.139.228
Offshore wind	19.424
	1.158.652
Business segment 2015	
Oil	1.575.804
Offshore wind	26.126
	1.601.930

2 Staff expenses		Group		Parent company
	2016	**2015**	**2016**	**2015**
	USD '000	USD '000	USD '000	USD '000
Wages and salaries	35.876	28.217	4.090	1.647
Pensions	859	663	75	54
Other social security expenses	311	169	2	1
	37.046	**29.049**	**4.167**	**1.702**
Including remuneration to the Executive management of:	3.706	1.311	3.706	1.311
Including remuneration to the Board of Directors of:	189	132	189	132
Average number of employees	**643**	**635**	**5**	**3**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		Group
	2016	2015
	USD '000	USD '000
Software and licenses	534	343
Goodwill	140	140
Land and buildings	221	263
Ships	7.420	4.736
Other fixtures and fittings, tools and equipment	1.802	1.723
Leasehold improvements	199	226
	10.316	**7.431**

4 Income from investments in subsidiaries after tax		Parent company
	2016	2015
	USD '000	USD '000
Share of profits of subsidiaries after tax	-19.554	33.262
	-19.554	**33.262**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

5 Financial income	Group		Parent company	
	2016	**2015**	**2016**	**2015**
	USD '000	USD '000	USD '000	USD '000
Interest income from group enterprises	0	0	0	2.828
Exchange adjustments	0	559	0	0
Other financial income	23.234	24.164	0	0
	23.234	**24.723**	**0**	**2.828**

6 Financial expenses				
	2016	**2015**	**2016**	**2015**
	USD '000	USD '000	USD '000	USD '000
Interest expenses to group enterprises	0	0	366	593
Exchange adjustments	971	2.922	0	1.011
Other financial expenses	34.481	23.102	867	1.931
	35.452	**26.024**	**1.233**	**3.535**

7 Tax on profit/loss for the year				
	2016	**2015**	**2016**	**2015**
	USD '000	USD '000	USD '000	USD '000
Current tax for the year	-3.525	-40	-1.061	-395
Deferred tax for the year	-1.156	3.904	-2	27
Adjustment of tax concerning previous years	933	716	33	27
Total tax for the year	**-3.748**	**4.580**	**-1.030**	**-341**

8 Distribution of profit	Parent company	
	2016	**2015**
	USD '000	USD '000
Proposed dividend for the year	0	4.000
Reserve for net revaluation under the equity method	-19.855	34.012
Retained earnings	-5.970	-14.328
	-25.825	**23.684**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

9 Intangible assets

	Group	
	Software and licenses	Goodwill
	USD '000	USD '000
Cost at 1 January	2.616	607
Net exchange adjustment	32	0
Additions for the year	1.083	0
Cost at 31 December	**3.731**	**607**
Impairment losses and amortisation at 1 January	1.164	140
Net exchange adjustment	0	0
Amortisation for the year	534	140
Impairment losses and amortisation at 31 December	**1.698**	**280**
Carrying amount at 31 December	**2.033**	**327**
Amortised over	5-8 years	5 years

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

10 Property, plant and equipment

				Group
	Land and buildings	Ships	Other fix-tures and fittings, tools and equipment	Leasehold improve-ments
	USD '000	USD '000	USD '000	USD '000
Cost at 1 January	5.047	69.951	9.336	1.207
Net exchange adjustment	0	-1.291	-110	0
Additions for the year	929	25.436	1.287	155
Disposals for the year	0	-64	-152	-13
Cost at 31 December	**5.976**	**94.032**	**10.361**	**1.349**
Impairment losses and depreciation at 1 January	647	16.912	4.083	662
Net exchange adjustment	0	-712	-38	-5
Impairment losses for the year	0	211	0	0
Depreciation for the year	221	7.209	1.802	199
Reversal of impairment and depreciation of sold assets	0	-33	-88	-9
Impairment losses and depreciation at 31 December	**868**	**23.587**	**5.759**	**847**
Carrying amount at 31 December	**5.108**	**70.445**	**4.602**	**502**
Depreciated over	20 years	3-15 years	5 years	4-5 years
Including assets (all categories) under finance leases amounting to			11.478	

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

11 Investments in subsidiaries

	Parent company	
	2016	**2015**
	USD '000	USD '000
Cost at 1 January	11.299	8.889
Additions for the year	2.924	2.410
Cost at 31 December	**14.223**	**11.299**
Revaluations at 1 January	133.935	101.667
Net exchange adjustment	-1.609	-994
Net profit/loss for the year	-19.554	33.262
Dividends to the Parent company	-11.000	0
Revaluations at 31 December	**101.772**	**133.935**
Carrying amount at 31 December	**115.995**	**145.234**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

11 Investments in subsidiaries

Name	Place of registered office	Votes and ownership
Downstream Holding A/S	Fredericia, Denmark	100%
Monjasa A/S	Fredericia, Denmark	100%
Dynateam Fyn A/S	Fredericia, Denmark	100%
Monjasa Inc	Connecticut, USA	100%
Monjasa DMCC	Dubai, United Arabic Emirates	100%
Monjasa Chartering DMCC	Dubai, United Arabic Emirates	100%
Monjasa Chartering DMCC II	Dubai, United Arabic Emirates	100%
Montec Ship Management DMCC	Dubai, United Arabic Emirates	100%
Monjasa Marine LLC	Dubai, United Arabic Emirates	67%
Monjasa Pte Ltd	Singapore, Malaysia	100%
Monjasa S.A	Panama, Panama	100%
Monjasa MHQ S.A	Panama, Panama	100%
Monjasa PTY, S.A.	Panama, Panama	100%
Monjasa S.A. de C.V.	Mexico City, Mexico	100%
Monjasa LTD	Limassol, Cyprus	100%
Monjasa LTD	London, United Kingdom	100%
Midstream Holding A/S	Fredericia, Denmark	100%
Monjasa Trading DMCC	Dubai, United Arabic Emirates	100%
Logistics Holding A/S	Fredericia, Denmark	100%
African Leader Shipping ApS	Fredericia, Denmark	100%
African Chaser Shipping ApS	Fredericia, Denmark	100%
African Sprinter Shipping ApS	Fredericia, Denmark	100%
Skaw Provider Shipping ApS	Fredericia, Denmark	100%
Monjasa Chartering ApS	Fredericia, Denmark	100%
Energizer Shipping ApS	Fredericia, Denmark	100%
Monjasa Nordics ApS	Fredericia, Denmark	100%
C-bed Holding BV	Amsterdam, The Netherlands	100%
C-bed BV	Amsterdam, The Netherlands	100%
C-bed II BV	Amsterdam, The Netherlands	100%
C-bed III BV	Amsterdam, The Netherlands	100%
C-bed IV BV	Amsterdam, The Netherlands	100%
C-bed Chartering BV	Amsterdam, The Netherlands	100%
C-bed A/S	Fredericia, Denmark	100%
First Arctic A/S	Fredericia, Denmark	100%

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

12 Investments in associates

	Parent company	
	2016	**2015**
	USD '000	USD '000
Cost at 1 January	2	2
Additions for the year	0	0
Cost at 31 December	**2**	**2**
Impairment losses and amortisation at 1 January	2	2
Net exchange adjustment	0	0
Net profit/loss for the year	0	0
Revaluations at 31 December	**2**	**2**
Carrying amount at 31 December	**0**	**0**

Name	**Place of registe-red office**	**Votes and ownership**
Monjasa LDA	Angola	49%
Monjasa (PTY) Ltd	Namibia	35%

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

13 Other fixed asset investments

	Group	
	2016	**2015**
	USD '000	USD '000
Cost at 1 January	2.278	1.853
Additions for the year	142	425
Disposals during the year	-352	0
Cost at 31 December	**2.068**	**2.278**
Carrying amount at 31 December	**2.068**	**2.278**

14 Prepayments

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

15 Share capital

The share capital consists of 500.000 shares of a nominal value of DKK 1. No shares carry any special rights.

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

16 Deferred tax for the year	Group		Parent company	
	2016	2015	2016	2015
	USD '000	USD '000	USD '000	USD '000
Deferred tax primo	2.986	-913	4	-95
Change during the year recognised in the income statement	-1.156	720	-3	93
Adjustment concerning previous years recognised in the income statement	256	3.179	0	6
Total deferred tax for the year	**2.086**	**2.986**	**1**	**4**

Deferred tax relates mainly to temporary differences on tangible assets.

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

17 Financing	Group		Parent company	
	2016	2015	2016	2015
	USD '000	USD '000	USD '000	USD '000
Credit institutions				
Between 1 and 5 years	10.713	9.392	0	0
Long-term part	**10.713**	**9.392**	**0**	**0**
Credit institutions with credit lines	19.304	100.139	79	75
Other short-term debt to credit institutions within 1 year	15.705	2.533	0	0
Short-term part	**35.009**	**102.672**	**79**	**75**
	45.722	**112.064**	**79**	**75**
Lease obligations				
Between 1 and 5 years	7.083	8.930	0	96
Long-term part	**7.083**	**8.930**	**0**	**96**
Within 1 year	1.811	1.671	70	0
Short-term part	**1.811**	**1.671**	**70**	**0**
	8.894	**10.601**	**70**	**96**

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

18 Derivative financial instruments		Group
		2016
	Net volumes	Net value
	M tonnes	USD '000
Derivatives maturing within 0-3 months	6.968	321
Derivatives maturing within 3-12 months	-16.800	-1.201
	-9.832	**-880**

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

Group

Rental agreements and leases

The Group has assumed operating lease obligations which at 31 December 2016 amounts to USD 13.4m (2015: USD 10.9m) in the period of non-terminability of up to 96 months (2015: 84 months).

The Group has assumed charter hire obligations which at 31 December 2016 amount to USD 14.8m (2015: USD 22.1m).

Security

The company and its subsidaries have issued guarantees towards financial institutions in respect of loans which amount to USD 135m at the balance sheet date (2015: USD 242m).

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

The company´s factoring facility has security in specific receivables.

Parent Company

Contingent liabilities

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

Joint tax

The Parent Company is the management company for the Group's Danish jointly taxed companies, and as from the 2013 financial year it has unlimited, joint and several liability together with the other jointly taxed companies for all corporate income taxes arising under the joint taxation scheme and as from 1 July 2012 the Parent Company has unlimited, joint and several liability for the withholding taxes payable by these companies. Corporate income tax payable for the Danish jointly taxed companies amounted to USD 0m at 31 December 2016 (2015: USD 0m).

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

20 Fee to auditors appointed at the general meeting	Group		Parent company	
	2016	2015	2016	2015
	USD '000	USD '000	USD '000	USD '000
Audit fee	578	404	87	30
Tax advisory services	9	104	0	0
Other assurance services	97	3	0	0
Non-audit services	310	234	0	0
	994	**745**	**87**	**30**

21 Related parties and ownership

Ownership

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

JJ Holding & Invest ApS, Middelfart, Denmark

Endeavour Invest ApS, Fredericia, Denmark

Substantial interest

JJ Holding & Invest ApS, Middelfart, Denmark	Shareholder
Endeavour Invest ApS, Fredericia, Denmark	Shareholder

Other related parties

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

FINANCIAL STATEMENT

NOTES TO THE ANNUAL REPORT

22 Cash flow statement adjustments		Group
	2016	2015
	USD '000	USD '000
Financial income	23.234	24.723
Financial expenses	-35.452	-26.024
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-10.316	-7.431
Profit on sale of property plant and equipment	-6	2.392
Tax on profit/(loss) for the year	3.748	-4.580
	-18.792	**-10.920**

23 Cash flow statement - change in working capital		Group
	2016	2015
	USD '000	USD '000
Change in inventories	9.130	-3.300
Change in receivables	37.504	60.346
Change in trade payables, etc.	40.594	653
	87.228	**57.699**

ACCOUNTING POLICIES

BASIS OF PREPARATION
The Annual Report of Monjasa Holding A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

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

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

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

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

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

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

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

U.S. Dollars is used as the measurement currency. All other currencies are regarded as foreign currencies.

(USD in 2016: 7.06, 2015: 6.83)

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

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

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

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities have been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill.
Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

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

Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related.

Amortisation of goodwill is recognised in "Amortisation, depreciation, and impairment losses".

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

On subsequent changes to minority interests, the changed share is included in results as of the date of change.

LEASES
Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease

ACCOUNTING POLICIES

payments, computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company. The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with the changes in the value of the hedged asset or the hedged liability.

TRANSLATION POLICIES

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

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement. Please see the section on derivative financial instruments.

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

INCOME STATEMENT

REVENUE

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

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

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

COST OF SALES

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

OTHER OPERATING INCOME AND EXPENSES

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

OTHER EXTERNAL EXPENSES

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

STAFF EXPENSES

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

DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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

INCOME FROM INVESTMENTS IN SUBSIDIARIES

The items “Income from investments in subsidiaries after tax” in the income statement include the proportionate share of the profit for the year less goodwill amortisation.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme, and settlements of and unrealised fair value adjustments from derivatives.

TAX ON PROFIT/LOSS FOR THE YEAR

The Company is comprised by the Danish rules on compulsory joint taxation of Monjasa Holdings A/S´ Danish subsidiaries. Comprised by the joint taxation rules are Monjasa Holding A/S, Monjasa A/S, Energizer Shipping ApS, Monjasa Tankers ApS, Monjasa Chartering ApS, African Leader Shipping ApS African Chaser Shipping ApS, Skaw Provider Shipping ApS and Dynateam Fyn A/S.

Monjasa Holding A/S is the management company for the joint taxation and consequently settles all payments of corporation tax with the tax authorities.

ACCOUNTING POLICIES

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

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

BALANCE SHEET

INTANGIBLE ASSETS GOODWILL

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

SOFTWARE AND LICENSES

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

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

PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

Land and building	20 years
Ships	3 - 11 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	4 - 5 years

Assets costing less than DKK 12,600 are expensed in the year of acquisition.

IMPAIRMENT OF FIXED ASSETS

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

INVESTMENTS IN SUBSIDIARIES

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

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

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

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

OTHER INVESTMENTS

Other investments are measured at cost price.

DEPOSITS

Deposits are recognised at cost price.

INVENTORIES

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

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

PREPAYMENTS

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

RECEIVABLES

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value.

ACCOUNTING POLICIES

Provisions for estimated bad debts are made.

DIVIDEND

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

CURRENT TAX AND DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

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

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

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

Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

PROVISIONS

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

FINANCIAL DEBTS

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

OTHER DEBTS AND PAYABLES

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

CASH FLOW STATEMENT

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

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

CASH FLOWS FROM OPERATING ACTIVITIES

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

CASH FLOWS FROM INVESTING ACTIVITIES

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

CASH FLOWS FROM FINANCING ACTIVITIES

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

CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

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

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

EXPLANATION OF FINANCIAL RATIOS

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

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

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

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

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

BUNKERING KNOWLEDGE SINCE 2002

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

We are Monjasa in every port

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