Monjasa Holding A/S

Annual Report

2020

Monjasa Holding A/S	The Annual General	**Financial Period**
Strevelinsvej 34	Meeting adobted the	1 January – 31 December
7000 Fredericia	Annual Report on	**Central Business**
Denmark	7 April 2021	Registration No: 33150709

Chairman of the General Meeting

MONJASA

Monjasa Holding A/S

Annual Report

2020

Welcome to the Monjasa Holding A/S

Annual Report 2020

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2 Management's statement and auditor's report

3 Management's review

4 Consolidated and parent company financial statements

MONJASA

Monjasa Holding A/S

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

Our core business includes trading and supplying marine fuels and shipowning activities on a global level.

Other main Group entities include offshore service company CBED and IT consultancy, RelateIT.

Company information

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

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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
Lotte Grønborg Lundberg
Flemming Ipsen
Peder Gellert Pedersen

Executive Management
Anders Østergaard
Svend Stenberg Mølholt

Auditors
Deloitte
Statsautoriseret
Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Group CEO statement

Strong results in a year of contrasts

Monjasa delivered a very positive response to the disrupted global fuel markets in 2020. The year concluded with a 9% increase in total volumes and a result of the year above expectations.

2020 became a year of great contrasts for Monjasa and demonstrated just how adaptable our organisation is to change. On many occasions throughout the year, Monjasa proved a mature organisation able to meet new customer demands in all corners of the world.

Positive developments against all odds

The year concluded with a strong set of results, including a 9% increase in total volumes, revenue of USD 2.0bn and a result of the year of USD 30m.

Behind these numbers you find a daily business of high complexity and we would like to highlight some examples of how Monjasa experienced this challenging year. Examples which somewhat stand in contrast to the overall market developments in the oil and shipping industry.

Less sulphur meant more activity

January 1st. The highly anticipated IMO 2020 changeover to more environmentally friendly fuels was finally implemented globally. For Monjasa, months of thorough preparations to meet this new demand for products and logistics ended very positive.

By offering a safe port for our customers throughout the transition, we experienced a high activity level and a significant volume increase.

Equally important is how the global shipping community has come together and enabled a transition to a greener future in shipping. As such, the introduction of low-sulphur products has led to a 70% cut in total sulphur oxide emissions from shipping according to the International Maritime Organization (IMO). With IMO and regulators supporting this, the industry has showed the way for important progress within the ongoing sustainability agenda.

Personal business during lockdowns

Only a few months into IMO 2020 and with markets slowly starting to settle, WHO declares the Corona virus outbreak a pandemic. A global health crisis and an instant new challenge for Monjasa's personal business approach.

In Monjasa, we build long-term relations on the back of living our values and when a pandemic forces new ways of working, we have the ability to remain virtually close with our relations. In fact, in the remainder of the year, we managed to develop new customer relations and supply more marine fuels than ever before, despite going through one of the toughest years for the industry and for personal business.

"We managed to develop new customer relations and supply more marine fuels than ever before"

Overcoming industry complexities

While Covid-19 overshadowed industry headlines during 2020, the underlying theme of the increasing complexity of doing business is more present than ever.

Right now, we are experiencing shifts in fuel grades and specifications and in the overall product landscape. At the same time, we stay focused on ever-changing sanctions compliance and HSEQ frameworks, while closely monitoring the increasing financing requirements across the shipping industry. All indispensable parts of Monjasa's daily business and which require a strong corporate backbone to keep delivering value to our partners.

We have no doubt that navigating this increasingly complex business environment is the key to future development. A future Monjasa is determined to form part of.

Therefore, we are thankful for having been the first marine fuel supplier introducing global ISO and OHSAS management standards back in 2014 to ensure continuous quality improvements across our operations.

Presenting this Annual Report for 2020, we can conclude that Monjasa has taken the right steps and moved with the times to offer new solutions. If we were to start all over today and face the current business complexities, it would have been an impossible journey for Monjasa to emerge.

Expectations for 2021

In the current year, we foresee increasing global trade uncertainties which are likely to keep changing trade flows and oil demand. To which extent this will impact the overall maritime industry and Monjasa is still unknown.

However, by continuing building on our positive developments and insisting on making our business personal, we are confident of another positive financial year.

Thank you

What a year it has been. We are all seeing new sides of doing business together and I would like to express my gratitude to all our customers, suppliers and financial partners for your efforts.

Most of all, I am proud of my colleagues for tirelessly fuelling global trade in every port during the most difficult times and circumstances.

Anders Østergaard

Performance overview

2020 financial highlights

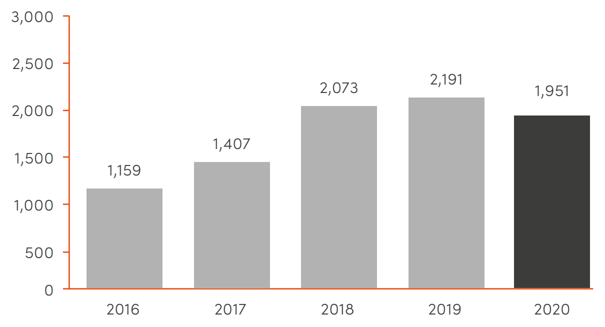
2020 was a very positive year for the Monjasa Group. Focusing on the oil activity, the total volume increased by 9% from 4.5m to 4.9m metric tonnes.

Monjasa recorded higher volumes in each month of 2020 compared to 2019 levels. This shows that Monjasa was able to provide services and products matching the demand of shipowners and operators during times of uncertainty.

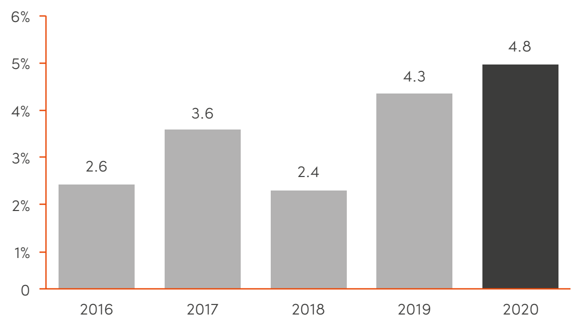
Total Group revenue remained stable at USD 2.0bn while the result of the year, USD 30m, was above expectations.

As of 31 December 2020, the Group's consolidated equity amounts to USD 136m. Recording a solvency ratio of 41%, Monjasa demonstrates a highly robust financial position.

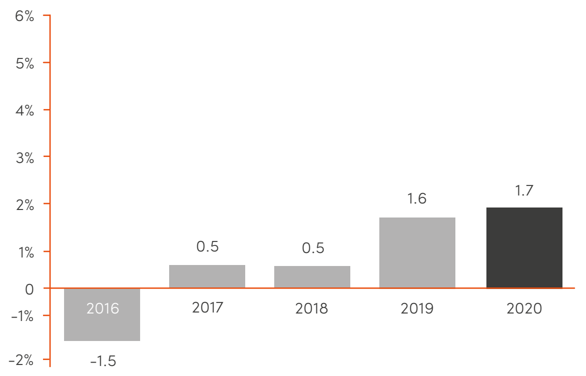
Revenue in USD million



Gross margin



Profit margin

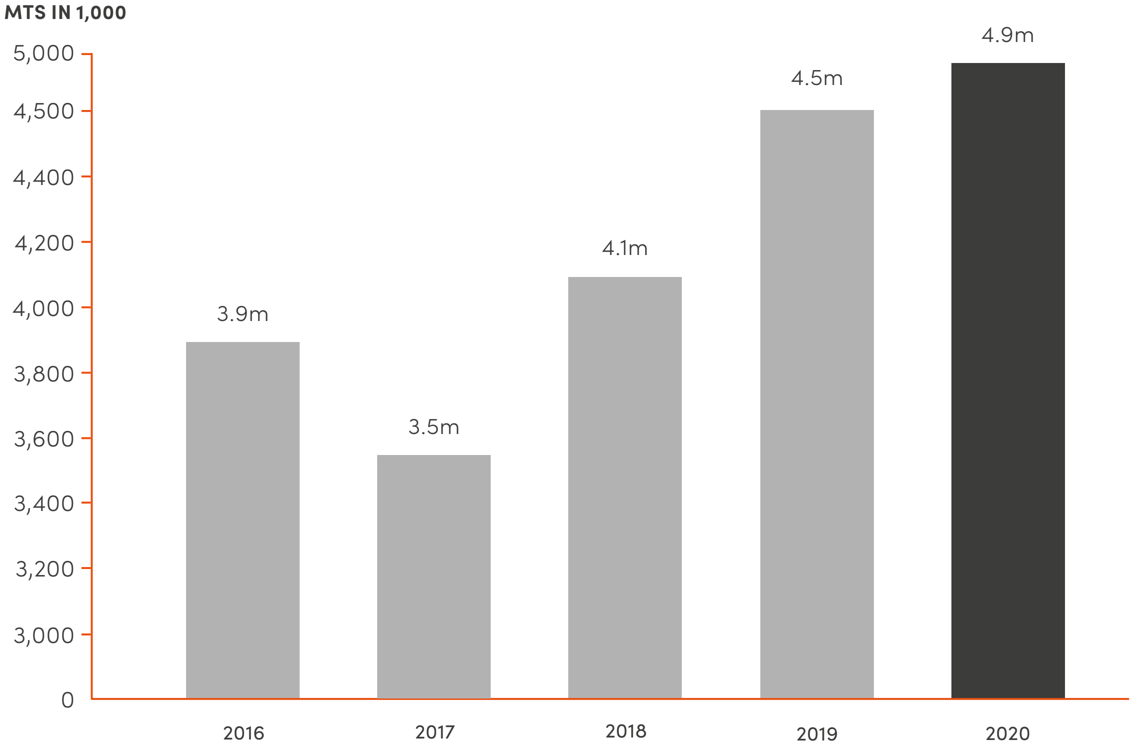


Solvency 2020

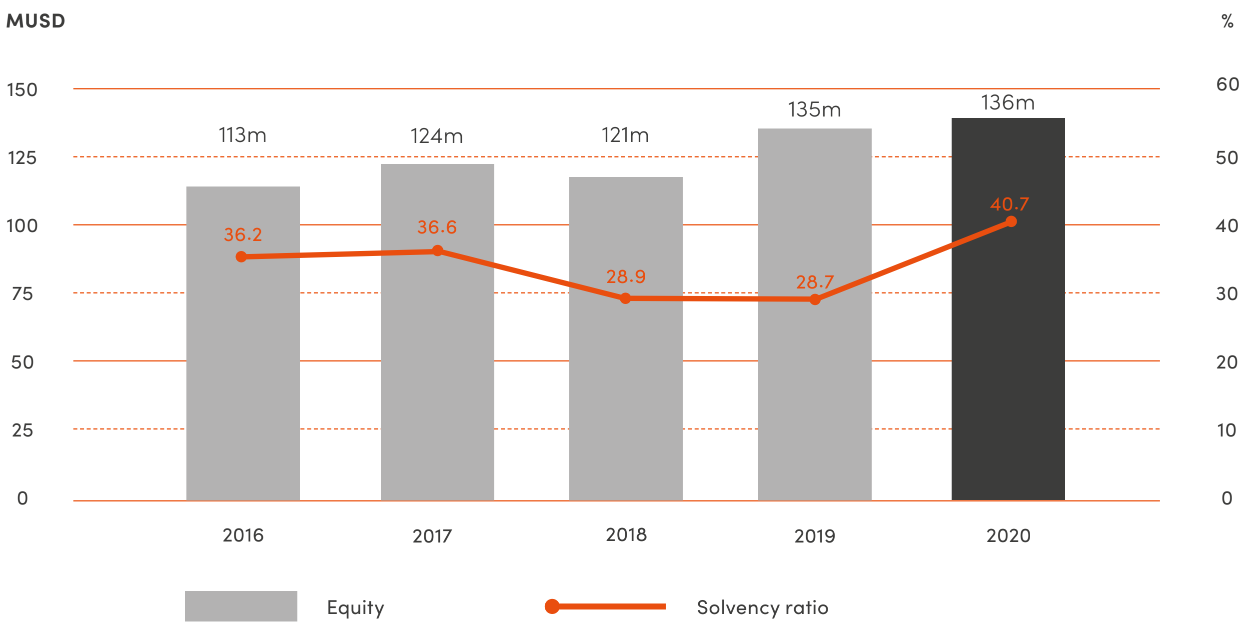
41%

Solvency ratio improved from 29% in 2019

Total volume development



Group equity and solvency ratio



Our 2020 numbers

35,611
max. number of tonnes delivered in one day

11,809
supply operations

68
max. number of supplies in one day

40
different employee nationalities

10
offices across time zones

106
nations serviced

Top 10 supply areas

1. Balboa
2. Singapore
3. Lomé
4. Jebel Ali
5. Houston
6. Fujairah
7. Cristobal
8. English Channel
9. Congo
10. Skaw

Global shipping partner since 2002

EUROPE

3 offices / 102 employees
1 oil terminal
850,000 mts supplied in 2020

WEST AFRICA

2 offices / 5 employees
1 floating storage
1,050,000 mts supplied in 2020

AMERICAS

2 offices / 33 employees
1,400,000 mts supplied in 2020

THE MIDDLE EAST

1 office / 65 employees
700,000 mts supplied in 2020

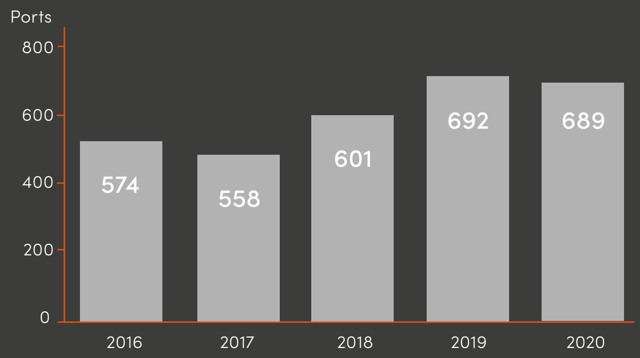
SOUTHEAST ASIA

2 offices / 14 employees
900,000 mts supplied in 2020

Customer insights

689 We served our customers in 689 ports globally in 2020.

Region	Ports
Europe	259
Asia	161
Americas	131
West Africa	83
Middle East	51



Customer satisfaction

4,047

Customer Satisfaction Surveys were completed across Monjasa's supply operations in West Africa, Panama, Colombia, US Gulf, Northwest Europe and the Middle East in 2020.

4,009

of those confirm satisfaction with the received services.

Compliance training

96%

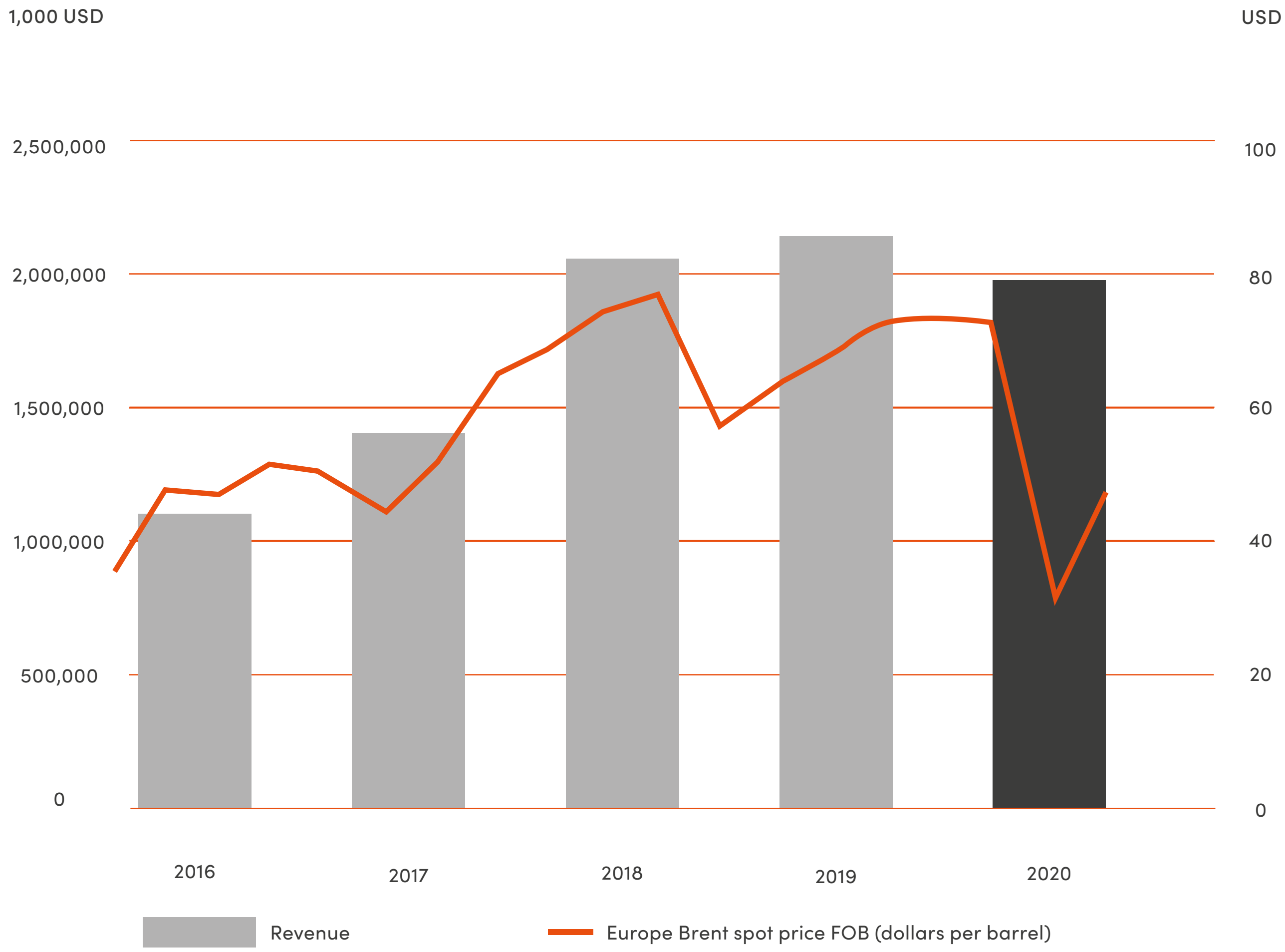
of employees completed Anti-Bribery and Anti-Corruption training in 2020.

Know your customer

39,968

vessels were screened by our Compliance department before doing business with Monjasa in 2020.

Revenue/oil price development



Increasing oil price levels affect total revenue
Higher total supply volume offset by a decrease in average oil price levels from USD 64 to USD 42 affected total revenue of the year.

Source: EIA

Realised losses <0.2%

Loss on debtors in 2020 compared to revenue, through a strong focus on collecting overdue debt.

Fleet of tankers

Total number of tankers in our fleet

20

Monjasa Server
Our 9,600-dwt tanker, Monjasa Server, in Dubai waters.


4 Americas
2 Northwest Europe
10 West Africa
4 The Middle East

Letter from the Chairman

In a year of fuel transition and global trade uncertainties, the Monjasa Group remained a valued partner to the shipping industry. This made 2020 a challenging although positive year.

On the first day of the year, the IMO 2020 transition marked considerable change across the oil and shipping industries. Both shipping companies and fuel suppliers had been preparing extensively for this anticipated shift towards more environmentally friendly marine fuels. By adapting logistics and products ahead of the New Year, Monjasa can look back on enabling a smooth transition for our customers.

On the contrary, no one was able to prepare for the implications of the Covid-19 pandemic, which hit all of us just months later. As nations went into lockdowns, many of the global trade flows were disrupted with the shipping industry suffering less activity in ports around the world.

Positive results in a challenging year

Despite new challenges arising, Monjasa was able to match supply and demand and meet the new and increasing expectations of the global shipping community. This resulted in Monjasa recording a volume increase by 9% to a total of 4.9m tonnes and presenting a positive net result of the year of USD 30m.

Monjasa Holding also experienced continued positive developments across our other business areas during 2020.

Offshore wind and IT

In offshore wind, CBED continued past years' high utilisation rate of its Service Operation Vessel, Wind Innovation, and was involved in three offshore wind projects throughout the year. In fact, despite a highly competitive offshore environment, CBED has secured charter contracts well into 2022.

In the IT sector, RelateIT experienced another year of positive developments with increasing demand for digitalisation and further influx of employees. In 2020, RelateIT passed 100 IT consultants for the first time and thereby more than doubling the workforce in just three years.

Running a responsible business

During the year, the Board of Directors initiated a review of how the Monjasa Group can make the most impact as a responsible partner across our industries.

An internal working group was assigned to bring clarity on initiatives already implemented in our operating model as well as where the Monjasa Group can assume additional responsibility towards our employees and partners and meet the global challenges of future generations.

We are looking forward to presenting this comprehensive work in the first Monjasa Holding A/S Responsibility Report 2020.

Changes to the Board

In October 2020, Tage Bundgaard, who during the same month celebrated his 75th birthday, stepped down as Member of the Board following eight years at Monjasa Holding. On behalf of Monjasa Holding, I would like to express our sincere appreciation for Tage Bundgaard's contributions over the years and extend our warmest wishes for the future.

At the same time, we are pleased to welcome Lotte Grønborg Lundberg to the Board of Directors. Lotte Grønborg Lundberg is active as Director of the Danish Maritime Fund and various board positions. She comes with over 40 years of international maritime leadership primarily from the A.P. Moller-Maersk Group and brings new competencies into play in the boardroom.

Expectations for 2021

Looking into a year of more balanced fuel markets following the successful IMO 2020 phase-in and uncertainties of the expected global trade recovery, the Board of Directors remains confident of another positive financial result, though below the 2020 level.

Special thanks

The Monjasa Group has always been charaterised by a strong and value-based organisation across our offices and at sea. More than ever, the past year's shifting lockdowns have drawn great demands on everyone to balance work and family life.

On behalf of the Board of Directors, I would therefore like to thank all employees for realising another positive year for the Monjasa Group.

Christian Merrild

The Board of Directors

Monjasa Holding A/S draws on the experience of some of the most influential Danish shipping pioneers in our boardroom.

Board duties include overseeing the business strategy, accounting practices, corporate governance and the appointment of executive management.

Christian Merrild
Chairman of the Board

Christian Merrild was appointed Chairman of the Board in 2011 after ending his professional career as CFO at DFDS Group in 2009. Christian Merrild's professional experience dates back to 1974 and includes various positions primarily within business administration with, among others, KPMG and J. Lauritzen Holding.

Peder Gellert Pedersen
Member of the Board

Peder Gellert Pedersen is an experienced shipping professional currently acting in the role of Executive Vice President in leading integrated shipping and logistics company DFDS. A key role which covers all Passenger, Ro-Ro and Ro-Pax activities and their associated terminals.

Flemming Ipsen
Member of the Board

Flemming Ipsen is a highly experienced shipping professional and lawyer having served 34 years with the Danish Conglomerate A.P. Moller-Maersk Group. In recent years, Mr. Ipsen is well-known from his time as Chairman of the Board at Danish shipowner, TORM from 2013 to 2015.

Lotte Grønborg Lundberg
Member of the Board

With extensive experience from the A.P. Moller-Maersk Group and related entities, Lotte Grønborg Lundberg has served in various commercial and corporate roles as leader and executive. Today, she is active as Director of the Danish Maritime Fund and various board positions.

Anders Østergaard
Member of the Board

Anders Østergaard has been in oil and shipping since the start of his professional career back in 2000. First as Trader, and later as co-founder and ultimate owner of the Monjasa Group. Anders Østergaard was elected national "Entrepreneur of the Year" in Denmark in 2012 by Ernst & Young.

Lotte Grønborg Lundberg joins the Board

On 1 October 2020, Lotte Grønborg Lundberg joined the Monjasa Holding Board of Directors to take part in further sustaining Monjasa's position as a global top 10 marine fuels supplier.

Lotte comes with over 40 years of international maritime leadership and brings new competencies into play in the boardroom.

With extensive experience from the A.P. Moller-Maersk Group and related entities, Lotte has served in various commercial and corporate roles as leader and executive. Today, she is active as Director of the Danish Maritime Fund and various board positions.

Christian Merrild, Chairman of the Board:

"We are delighted to welcome a true maritime professional like Lotte into the Monjasa Holding boardroom. She brings new and interesting competencies covering many aspects of the ongoing shipping industry transformation, including ship management and newbuild programmes. We need the best people on board to navigate tomorrow's challenges in oil and shipping."

Anders Østergaard, Group CEO and Board Member:

"I have known Lotte for around 15 years and followed her exciting maritime career with the A.P. Moller-Maersk Group and at port authorities and maritime organisations. Lotte is driven, curious, outspoken, and has a grounded personality, which altogether makes her and Monjasa a good match. Monjasa is fast approaching 20 years in oil and shipping and Lotte's entrance in the Board of Directors complements the overall maturity of the Monjasa Group."

Facts about Lotte Grønborg Lundberg

Born in 1959 and joined A.P. Moller-Maersk in 1978 as a Management Trainee before building a career across internal management positions until 2017. Since 2019 serving as Director of the Danish Maritime Fund, with the objective of providing grants, finance and loans to projects supporting Danish shipping and the maritime industry.

Educational background includes a Graduate Diploma in International Business from Copenhagen Business School (CBS) and various leadership programmes at IMD, Colombia University and CBS.

Besides her daily responsibilities in the Danish Maritime Fund, Lotte is a non-executive board director in various boards, including the Danish port of Kolding, the UK-based Northern Marine Group as well as the Norwegian ferry operator, Norled. Lotte also previously served as Chairman of the Board in the Danish organisation Women in Boards, promoting women into top management and boards.

Board of Directors
Lotte Grønborg Lundberg who joined the Monjasa Board of Directors in 2020.

Monjasa Holding A/S company structure

Monjasa Holding A/S
Denmark

- **Downstream Holding A/S**
- **Logistics Holding A/S**
- **CBED Holding A/S**
- **RelateIT Holding A/S**

Monjasa Office
Our office building in Fredericia, Denmark.


MONJASA

Downstream Holding A/S

Gaining global market share

Change has been a constant over the last year with Monjasa representing a safe port.

In a year of global trade uncertainty where IMO 2020 and Covid-19 put their mark on the global shipping industry, Monjasa was able to provide services and products matching the changing fuel demand of shipowners and operators.

Thereby, Monjasa continued past years' positive developments and saw total volumes increase by 9% to 4.9m metric tonnes (MTS) in 2020.

Monjasa's positive demand curve stands in contrast to the overall global demand for marine fuel throughout the year. As such, the International Bunker Industry Association (IBIA) estimates a drop in the global marine fuel markets of anywhere between 7-17% in 2020.

Strong demand across the Americas and Southeast Asia

Looking closely at the numbers, Monjasa experienced the most notable positive developments in the Americas and Southeast Asia.

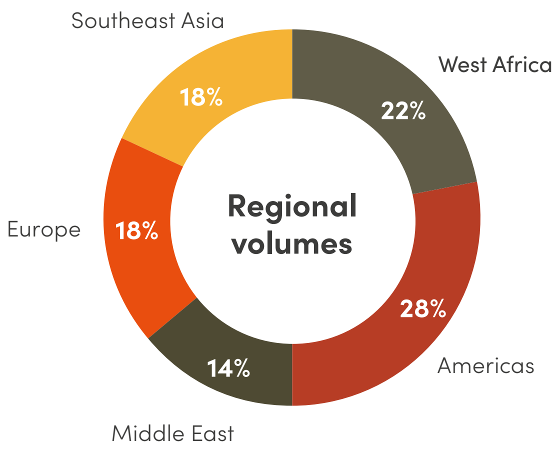
Led by high activity levels in the Panama Canal and across USA, the Americas region recorded a 22% sales increase and reached a total volume of 1,400,000 MTS for the year.

Likewise, Monjasa significantly expanded its pool of customers in Southeast Asia by 100+ during the year. In particular, a soaring demand in the Port of Singapore enabled an 80% volume increase to 900,000 MTS across the region.

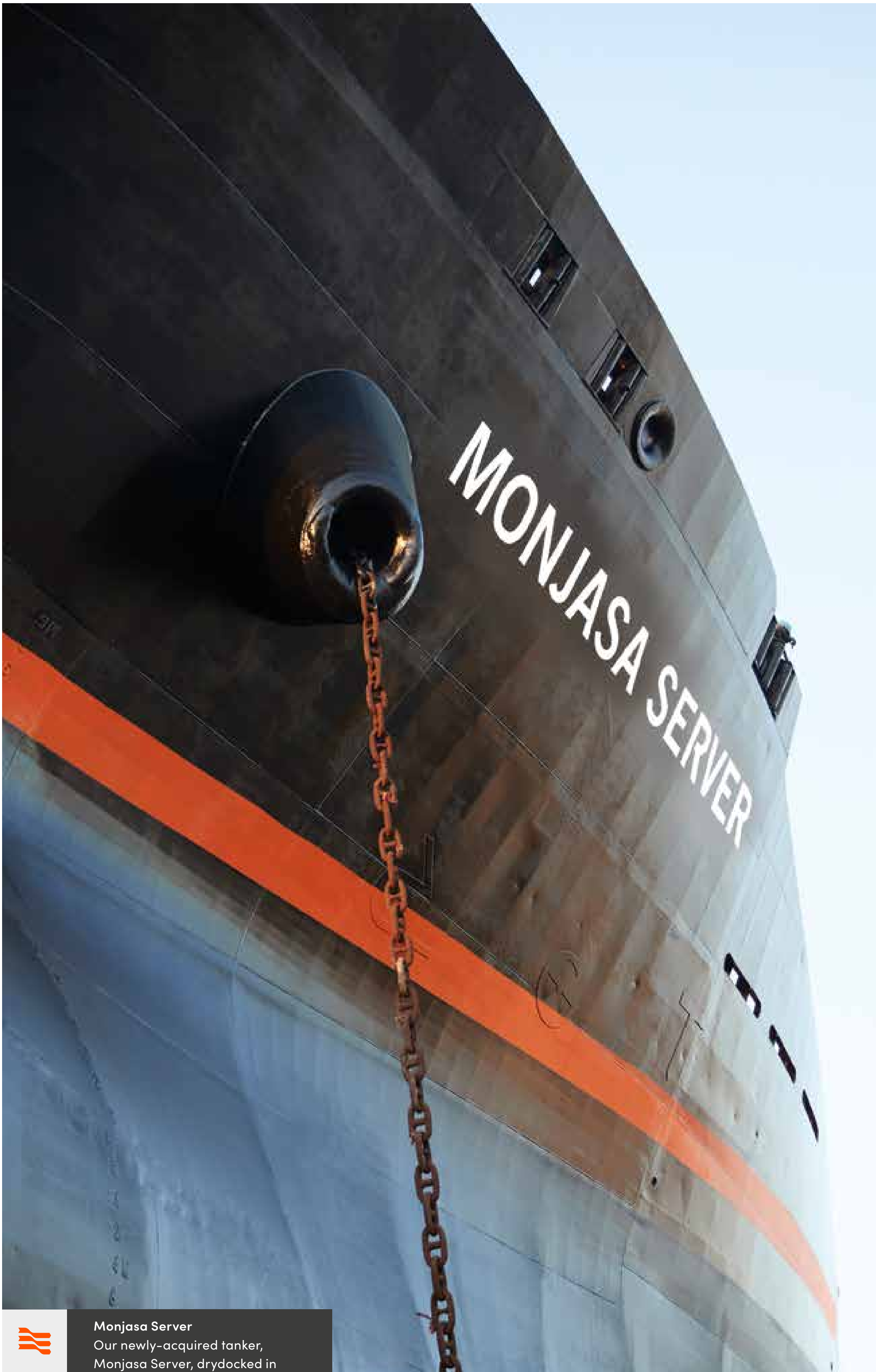
Personal business as guiding principle

These results come on the back of a year which offered less or no opportunities for Monjasa's employees to travel and meet in person with business partners to explore new collaborations and opportunities.

This has meant new ways of working for everyone in the industry and Monjasa has succeeded in staying virtually close with suppliers and customers. In an industry that rests on personal relations, this has been an important contributor to navigating safely through the high seas of the pandemic.



Monjasa Supplier
Our 8,839-dwt Monjasa Supplier in the Panama Canal.



Monjasa Server
Our newly-acquired tanker, Monjasa Server, drydocked in Dubai to get ready for operation.

Logistics
Holding A/S

Allocating the right tonnage

2020 was a positive year for Logistics Holding A/S confirming the relevance of past years' fleet priorities.

The year confirmed the Monjasa Group's priority of balancing chartered and owned tonnage supporting Monjasa's oil business. Doing so, ensures both operational and financial flexibility across the Monjasa Group, while at the same time offering customers the flexibility and end-to-end supply ownership, which is becoming increasingly important in Monjasa's main markets.

During a year of unprecedented and continuous challenging shipping markets, Logistics Holding has maintained fleet operation of 20 oil and chemical tankers ranging from 3,798 to 119,456 dwt.

Matching change in demand

The shipping industry's recent IMO 2020 transition to low sulphur fuels demonstrated that Logistics Holding commands the right tonnage and ensured continued smooth-running operations throughout 2020.

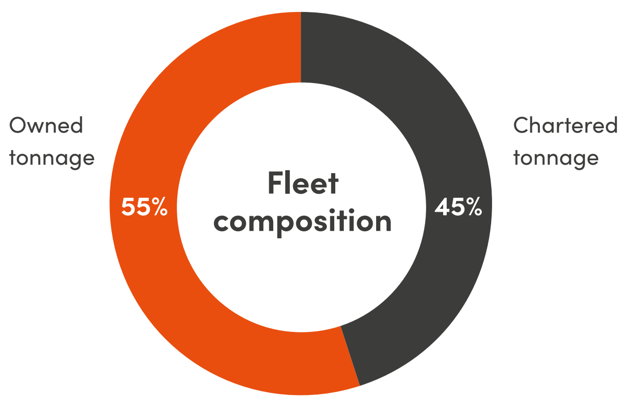
This transition has sparked further market interest in how the new fuel products are being sourced, shipped and supplied. In combination with tightening regulatory frameworks across the industry, deployment of quality tonnage is increasingly relevant to ensure compliance and flexibility when transporting and supplying the new fuels.

Welcoming MT Monjasa Server

In 2020 the Monjasa Group increased the number of owned tankers from 10 to 11 with the 9,600-dwt Monjasa Server. The new vessel was acquired from Golden-Agri Stena and instantly deployed in the Arabian Gulf, strengthening Monjasa's marine fuel operations across the Middle East.

With her close to 10,000-dwt, the tanker is considered an important contribution to meeting market demand in terms of cargo capacity and high technical specifications.

Besides tanker activities in the Arabian Gulf, Logistics Holding operates its fleet across West Africa, Northwest Europe and the Panama Canal.



CBED
Holding A/S

Ambitious future in offshore wind

CBED Holding A/S continues to experience a strong demand as global offshore wind capacity is expected to increase significantly towards 2030.

With three offshore wind projects successfully completed in 2020, CBED looks back on a busy year with full occupation for its Service Operation Vessel, Wind Innovation.

The CBED offshore accommodation concept allows important cost savings for offshore wind operators and minimises risks of delays during wind farm commissioning and maintenance projects.

By completing a total of 28 individual projects since 2008, CBED remains the most experienced industry partner within this niche industry.

EU and USA pushing green energy forward

Looking ahead and taking a macro perspective of the industry, CBED is encouraged to see the EU and USA setting new ambitious goals for offshore wind developments.

In the EU, the proposal is to increase Europe's offshore wind capacity from its current level of 12 GW to at least 60 GW by 2030.

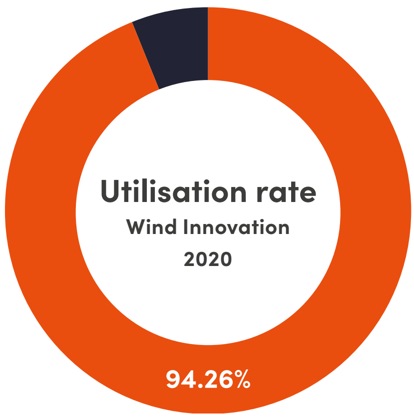
At the same time, the new US Government declared steps to accelerate development of renewable energy on public lands and waters, including setting a goal to almost double offshore wind production from 21 to 41 GW by 2030.

This renewed political emphasis on demonstrating results is comforting for all parts of the supply chain supporting the green energy transition.

Positive outlook

Turning to the near future, CBED has already secured full charter of Wind Innovation well into 2022. Throughout the year, CBED will be servicing what will become the world's largest offshore wind farm, Hornsea Two, located in the UK North Sea.

Thereby, CBED expects to remain a strong partner to the offshore wind industry in the short and long-term perspective.



Offshore experience
CBED's walk-to-work vessel, Wind Innovation.

RelateIT
Senior Consultant, Fritz Friis Jensen
and Director of Relations,
Kim Myllerup.

RelateIT Holding A/S

Enabling successful digitalisation

In 2020, RelateIT Holding A/S continued previous years' positive developments, seeing high demand for services and scaling up on resources.

As one of the leading Microsoft Dynamics 365 Business Central partners in Denmark, RelateIT specialises in ERP solutions for Danish and international customers. With a strong focus on building relations and partnering with customers on projects, the company continue to see a strong demand for their Business Central solutions as well as solutions for retail, Cloud products, Power BI and Power App solutions.

To accommodate this high demand for RelateIT's specialised competencies, the company also scaled up on number of employees, surpassing 100 colleagues during the year and underlining the company's role as one of the leading companies in the Business Central industry.

In Aalborg, Denmark, RelateIT opened the doors to the company's sixth office, putting the final piece of the puzzle in a strategy of geographically covering all regions of Denmark to always be within reach to build personal relations with customers.

A future of automated work processes

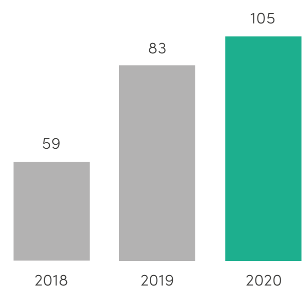
Last year showcased a clear trend where customers increasingly focus on digitalisation and automating work processes when they are looking to upgrade their IT solution to Business Central and the surrounding integrations. For RelateIT this resulted in more projects within app development and customised web technology in interaction with Business Central.

It was also the year where RelateIT introduced a new product area, Power, focusing on fast app development, to meet customers' increasing demand for these types of IT solutions.

Welcoming 103 new customers

During 2020, RelateIT welcomed 103 new customers to the business, while working on projects for 381 different customers in total. In total, RelateIT registered 93,000 hours on projects for customers during the year.

Development in number of employees

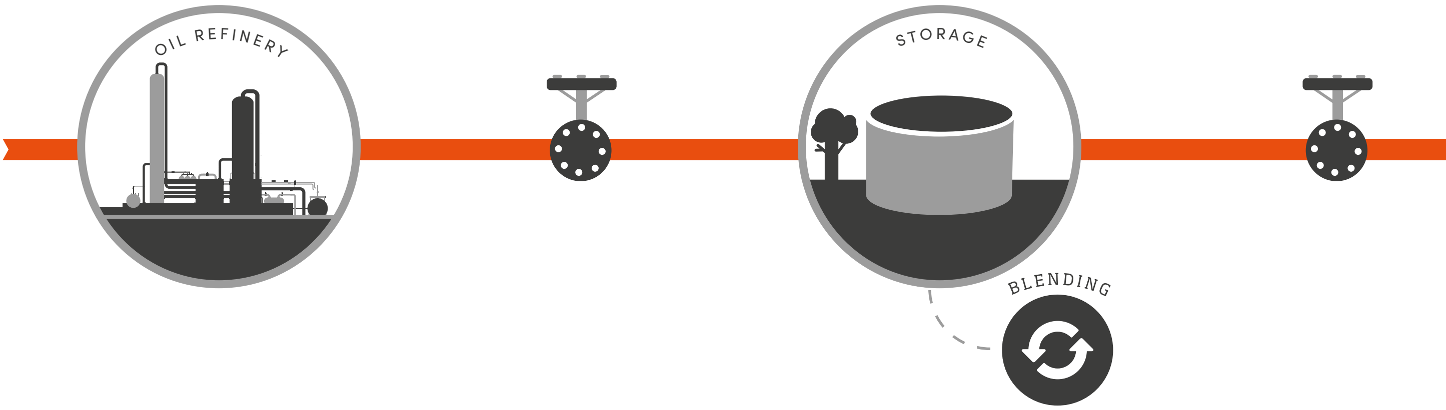


Monjasa Oil & Shipping Trainee
John Chuan Wei Lim, Trader and Ayaka Hara, Operator. In total, 10 new trainees joined in 2020.

Our oil business at a glance

Major oil companies

Major oil companies or large scale commodities trading houses

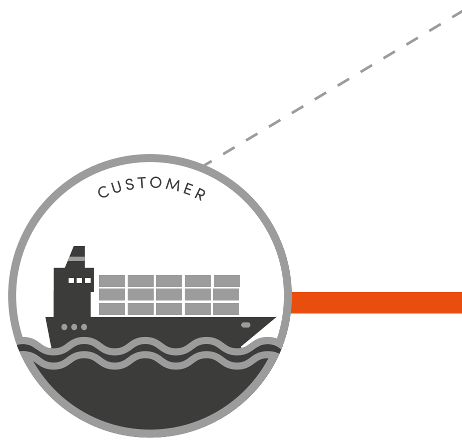


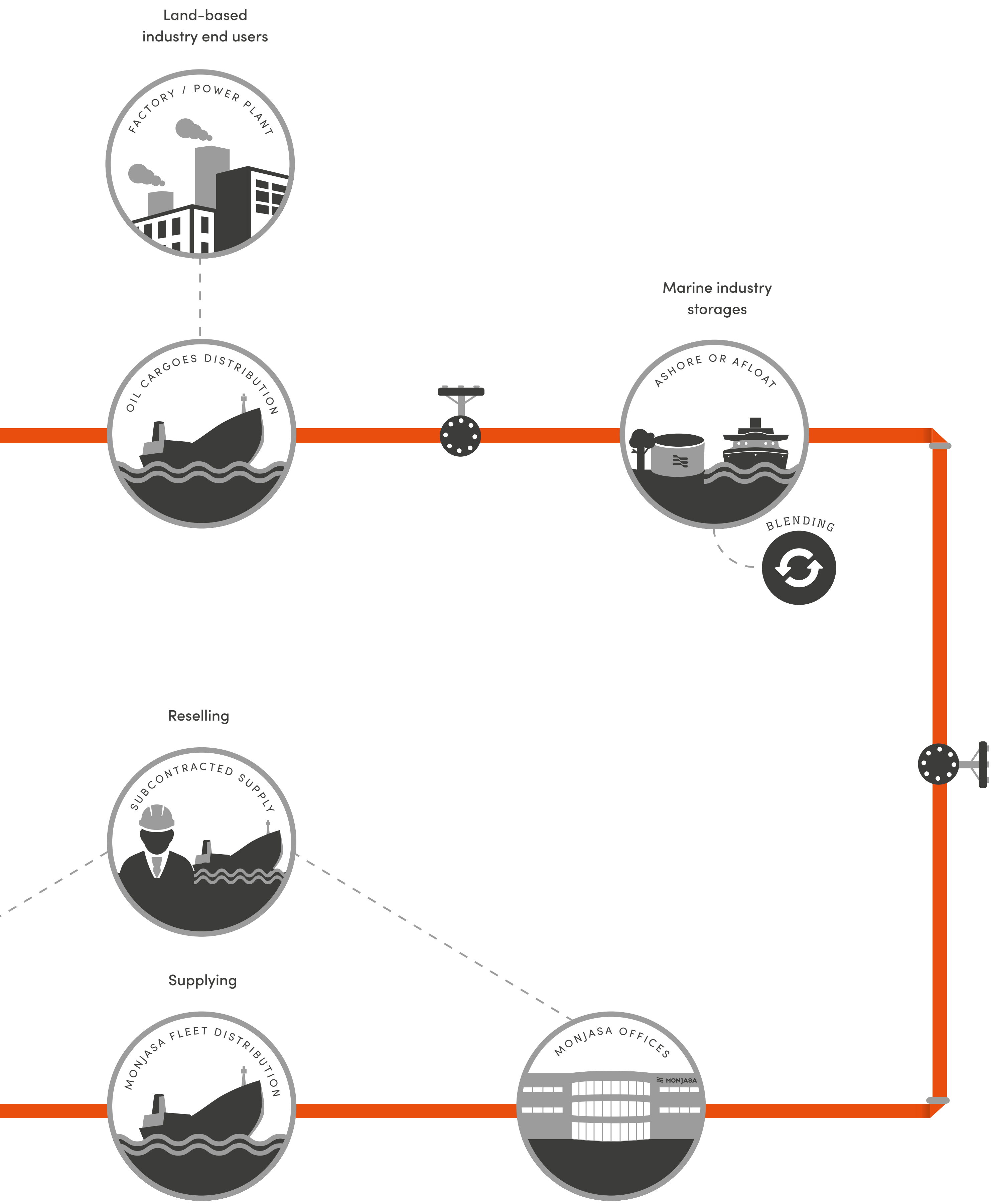
Sourcing, shipping and supplying
The Monjasa Group is a global partner in the oil and shipping industries. Our core business includes trading and supplying marine fuels and shipowning activities on a global level.

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

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

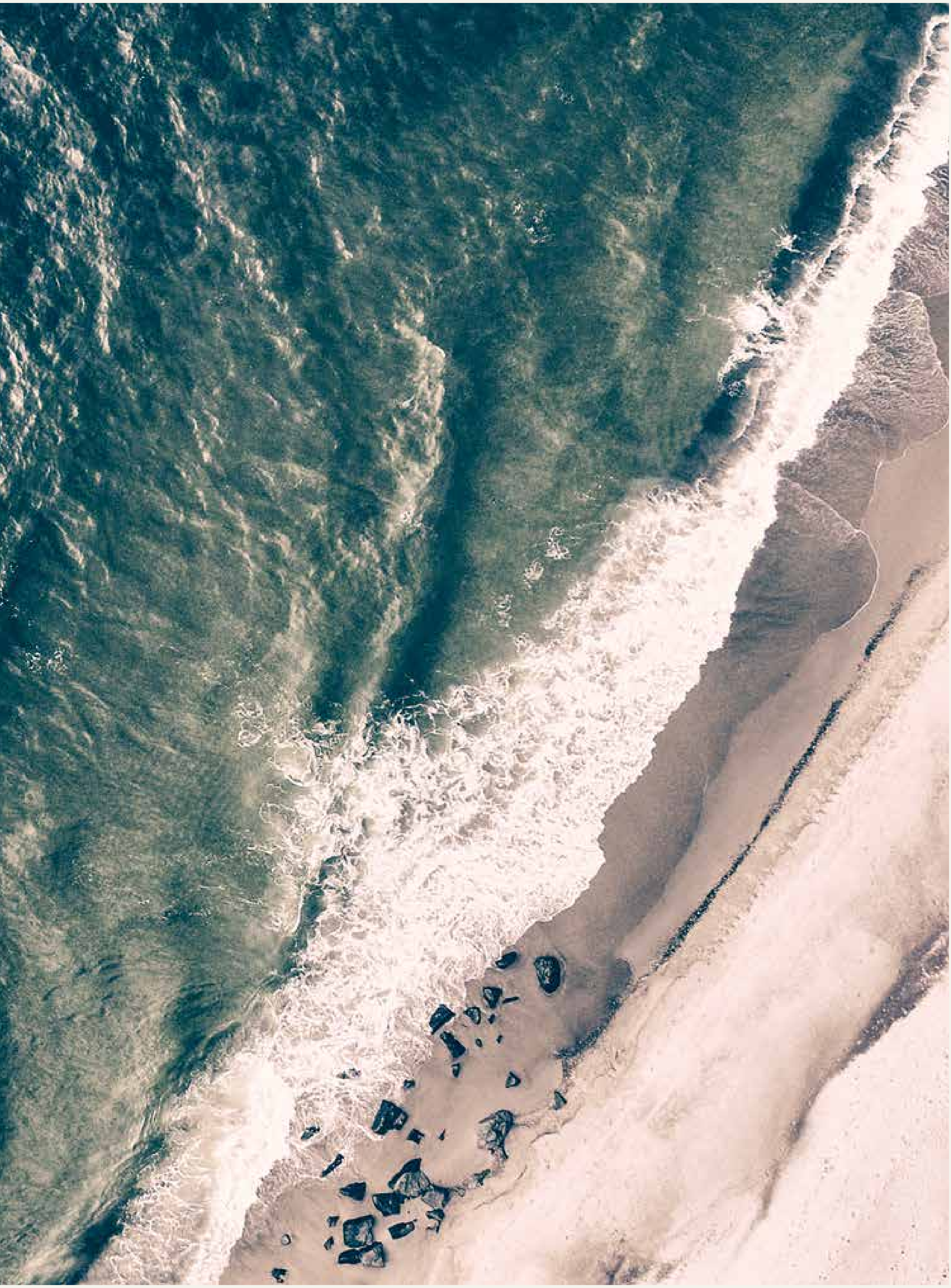
Supplying
As supplier, we use our own tankers to handle and physically deliver the desired product to our customers. We may also arrange supplies by trucks or ex-pipe from oil terminals. Our operations take place as ship-to-ship bunkering operations at sea or in various international ports.




Land-based
industry end users
FACTORY / POWER PLANT
OIL CARGOES DISTRIBUTION
Marine industry
storages
ASHORE OR AFLOAT
BLENDING
Reselling
SUBCONTRACTED SUPPLY
Supplying
MONJASA FLEET DISTRIBUTION
MONJASA OFFICES
MONJASA

Responsibility

Presenting Monjasa Holding's first separate report



Group COO statement

This is our responsibility

We believe that running a business responsibly is about meeting the needs of the present without compromising the ability of future generations to meet their own needs.

This year, we are presenting our partners with Monjasa Holding's first collective Responsibility Report.

Why? Because we believe that only by understanding the Monjasa Group's global and local impact, puts us in a position to take the next steps in developing our business responsibly.

In the years to come, we will be publishing our Responsibility Report hand in hand with our Annual Report, as these complement each other and help our interested parties understand our ambitions, actions and progress.

Responsibility in oil and shipping

The oil and shipping industry is changing faster than ever. In particular, new opportunities and expectations arise within the wider sustainability agenda.

Acting responsibly is nothing new to Monjasa

Acting responsibly is nothing new to Monjasa. In 2014, Monjasa became the first company in the bunkering industry to introduce global ISO and OHSAS management standards to ensure continuous quality improvements and reduce risks across our organisation and operations.

Sustainability is about achieving a balanced environment that is in harmony, no matter which environment or eco-system you are a part of. Including transport and supply of oil products.

Running a business responsibly therefore requires us to consider how we play a role in the ecosystems we take part in, no matter if this relates to the eco-system of the seas we service, the eco-system of global trade regulations or the eco-system of our working environments. And we are doing a lot already.

Uncovering Monjasa's future role

The Monjasa Group already holds high level of quality in our operations, but it is more imperative than ever that we establish a simple and transparent framework within the responsibility field too.

A company of our size and reach needs to be able to provide clarity on how we work with the agenda of sustainability and responsibility.

Laying the bricks and defining how the Monjasa Group acts as a responsible partner in the future is therefore something the Board of Directors and an internal working group have been focused on during the past year.

We needed answers to what our current impact is and where we should prioritise to reduce or expand our impact as a global organisation in the oil and shipping industry.

What is material to Monjasa?

To do so, and to explore alignment of Monjasa's efforts with global challenges and frameworks like IMO and the UN Sustainable Development Goals, we must create clarity on our impact as a community partner.

By partnering with Deloitte, we initiated a structured materiality assessment process for our responsibility agenda, including:

- Considering expectations from internal and external stakeholders
- Surfacing the areas most important to our business and stakeholders
- Exploring gaps between our material responsibility priorities and existing practices
- Supporting international principles and frameworks


Group COO, Svend Stenberg Mølholt

Getting to a Group understanding

Completing this thorough materiality assessment allowed us to group and prioritise our future responsibility approach, directing our actions to where we can make the most impact.

- **Minimising our Environmental Impact**
- **Leading Industry Governance**
- **Promoting People and Relations**

These learnings also reassured us that we are already doing many of the right things, but also that we are lacking a common understanding and structure across the Group. During the coming years, we will therefore continuously sharpen our approach and report on yearly developments.

We look forward to getting our arms further around our responsibility efforts and sharing these with our business relations and partners in every port.

Svend Stenberg Mølholt

Responsibility Working Group

As of April 2021, the Monjasa Holding Responsibility Working Group consists of:

- **Clara Demilew,**
  Group HSEQ Senior Manager
- **Masooma Kazmi**,
  Group Compliance Senior Manager
- **Tracy Palm**,
  Group HR Director
- **Thorstein Andreasen**,
  Group Communications Senior Manager
- **Jesper Nielsen**,
  Managing Director, CBED
- **Torben Maigaard**,
  Group Shipping Director
- **Svend Stenberg Mølholt**,
  Group COO

Minas Tsokopoulos
Trader in Limassol, Cyprus

In Monjasa Responsibility is about

We have decided to work with the wider sustainability agenda under the heading of Responsibility. We believe this is concise and flows naturally from the efforts we have already put into our operating model.

Minimising our Environmental Impact

Initiatives under this pillar include developing CO2 emissions measurements, how we can consume less resources in our offices and on board our vessels and how Monjasa can assist the shipping industry's long-term transition towards alternative fuels.

Leading Industry Governance

Our operating model already builds on pioneering industry governance initiatives such as our sanctions compliance and anti-bribery and anti-corruption measures. In the future, we will continue leading the race for transparency and accountability across the bunkering industry.

Promoting People and Relations

Personal business starts with respect and equal opportunities for everyone in Monjasa and those we engage with. Initiatives under this pillar also includes measuring our internal health and safety progress, providing learning opportunities and positively impacting the local communities we form part of.

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 2020 – 31 December 2020.

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 2020 and of the results of the Group's and Parent's operations and the Group's cash flows for the financial year 1 January 2020 – 31 December 2020.

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

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

Copenhagen, 7 April 2021

Executive Management

Anders Østergaard

Svend Stenberg Mølholt

Board of Directors

Christian Merrild
Chairman

Anders Østergaard

Flemming Ipsen

Lotte Grønborg Lundberg

Peder Gellert Pedersen

Independent auditor's report

To the shareholders of Monjasa Holding A/S

Opinion
We have audited the consolidated financial statements and the parent financial statements of Monjasa Holding A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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

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

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

Independent auditor's report

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

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

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

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

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

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

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

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

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

Independent auditor's report

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

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

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

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

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

Copenhagen, 7 April 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Siggaard Hansen
State-Authorised
Public Accountant
MNE no mne32208

Kåre Kansonen Valtersdorf
State-Authorised
Public Accountant
MNE no mne34490

Five-year financial highlights

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

Group

Key figures	2020	2019	2018	2017	2016
	USD '000	USD '000	USD '000	USD '000	USD '000
Income statement					
Revenue	**1,950,885**	**2,191,082**	**2,073,229**	**1,407,332**	**1,158,652**
Gross profit	93,074	93,662	49,098	51,316	30,007
Profit/loss before financial income and expenses	34,009	36,095	8,336	6,531	-17,355
Net financials	-2,938	-4,335	-5,497	-2,657	-12,218
Net profit/loss for the year	**30,040**	**26,494**	**4,858**	**6,767**	**-25,825**
Balance sheet					
Balance sheet total	334,587	469,721	416,737	339,034	312,179
Equity	136,136	134,849	120,528	124,035	112,997
Cash flow from:					
- operating activities	79,843	-21,474	-20,185	17,165	82,971
- investing activities	-714	-584	7,902	-3,963	-28,800
- investment in tangible assets	-8,051	-20,148	-8,424	-3,164	-27,808
- financing activities	-83,042	44,564	19,914	-24,311	-72,155
Change in cash and cash equivalents for the year	**-11,964**	**2,358**	**-793**	**-14,273**	**-17,984**
Average number of employees	509	503	456	635	643
Ratios					
Gross margin	4.8%	4.3%	2.4%	3.6%	2.6%
Profit margin	1.7%	1.6%	0.4%	0.5%	-1.5%
Return of assets	10.2%	7.7%	2.0%	1.9%	-5.6%
Equity ratio (solvency)	40.7%	28.7%	28.9%	36.6%	36.2%
Return on equity	22.2%	20.7%	4.0%	5.7%	-20.1%

Review

1.0 Main activity

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

2.0 Development in the year

In a year of global trade uncertainties, Group operations (EBIT) generated a result of USD 34.0m (2019: USD 36.1m), which includes USD 7m in impairment of vessels. The net result after tax amounts to USD 30.0m (2019: USD 26.5m). These results are above expectations set in the Monjasa Holding A/S Annual Report 2019 and better than expected in the context of global trade developments.

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

By 31 December 2020, consolidated Group equity amounts to USD 136m (2019: USD 135m), resulting in a return on equity of 22% in 2020 (2019: 21%).

Overall, Management expresses satisfaction with the strong set of results.

3.0 The Monjasa Group

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

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

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

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

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

The IT activities focus on ERP solutions, delivered through consultancy, IT infrastructure and Power BI. These solutions are delivered to customers within e.g. retail sector, maritime sector and insurance sector.

3.1 Oil activity

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

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

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

Closely linked to the Group's oil activities, the tanker fleet remained stable in 2020 with 20 vessels (2019: 19 vessels), maintaining its support to operations (see 3.2). During the year, fleet logistics were further optimised to enable the increasing volumes across all markets.

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

3.2 Tanker vessel activity

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

During 2020 further one vessel was purchased to secure the right tonnage for the Group's expanding oil activities. Having the fleet composed by one additional fully-controlled vessel is in line with Management aspirations of having around 50% of the fleet composed by owned tonnage.

As of 31 December 2020, 9 of the tanker vessels are operated on time charter agreements while the remaining 11 vessels are owned by the Group (2019: 10 vessels).

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

In 2014, the Danish tax authorities introduced a new interpretation of existing law, which in effect prevented Monjasa from using the previously adopted tonnage tax regime. The Group does not agree with the opinion of the Danish tax authorities, and therefore the Group has disputed their opinion.

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

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

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

4.0. Targets and expectations for 2021

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

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

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

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

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

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

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

The 2021 expectations on financial performance are naturally subject to uncertainty and in particular in regard to the development in global shipping markets, including the continued Covid-19 pandemic (see 14.1), the world economy, exchange rates, oil prices and freight levels.

5.0 Financial resources

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

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

6.0. Operating and financial risks

6.1 Operating risks

6.1.1 Oil activity

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

It is assessed that there are no significant uncovered risks in respect of the Group's operations. The Group likewise holds relevant insurances against potential exposures, which could incur in the Group oil activities.

6.1.2 Offshore wind

The offshore wind industry is characterised by relatively few, large energy companies operating offshore wind farms. Therefore, it may be difficult to obtain sufficient spread of customer risk, while on the other hand, these customers are typically financially solid. As the wind industry is generally favoured by state grants, the industry is to some extent exposed to potential political intervention.

6.1.3 Hijacking

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

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

6.1.4 Market risks

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

6.2 Financial risks

6.2.1 Bunker oil

USD is the primary currency applied in the bunkering and tanker activities and there are limited currency risks related to exchange rates in the financial statements.

The financial risk from fluctuations in oil prices is either naturally hedged by selling and purchasing transactions happening simultaneously, or otherwise substantially hedged against fluctuations by the use of derivatives.

Monjasa considers oil price volatility a risk to be managed and an Oil Price Risk Management Policy is in place, which sets out Monjasa's commitment to efficiently hedge oil price exposure of the Group.

Monjasa evaluates the oil price exposure based on the aggregated physical inventory, purchase and sales orders as well as agreements with suppliers. On a daily basis, oil price exposure is hedged using derivatives.

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

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 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 among other the interest rate development.

6.2.4 Credit risks

Granting credit to counterparts represents a risk in the oil and shipping industries. Management therefore maintains a strong focus on the policies towards approval of trading partners and granting of credit lines to these.

The Monjasa Group has a separate Credit department, which evaluates all new and existing trading partners in accordance with the credit policy. This includes use of client credit insurance, an updated credit rating model, access to extensive internal and external data sources and advanced Business Intelligence monitoring tools. Models and tools are being regularly updated to fit the state of the industry at all times.

No material changes in 2020 realised on loss on debtors compared to previous years.

7.0 Strategy and corporate purpose

7.1 Strategy

The Group strategy originates from the fundamental desire to provide excellent service on the long term. Hence, quality in our performance comes before fixed targets for future growth and expansion. Excellence and focus on details need to be the foundation to further develop a leading position across markets.

Markets in demand for entrepreneurship and renewed focus on quality and compliance standards remain a strategic priority for the future development of the Group. In such markets, the Group holds profound knowledge, and through extended supply operations, we are confident to expand our global market presence 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 learning 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, CBED already takes up a market leading position. Our aspiration is to fully benefit from our first-mover advantage and together with our main customers adjust our current vessel and services to the shifting demand within the offshore wind and potentially new business areas.

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

7.2 Corporate purpose

Monjasa's corporate purpose provides an overall direction, under which strategies are allowed to emerge in a deliberate 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 develop 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 employees 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). Future expectations under this section are described in full in the Monjasa Holding A/S Responsibility Report for 2020.

Monjasa's core activities are outlined in section 1.0 and activities hereunder denote the scope for Monjasa's Corporate Social Responsibility. It is the aim of the Group to live up to its corporate purpose and values in all that we do, reflecting positively on our social responsibility. It is essential that considerations for both social and environmental factors are incorporated into our organisational governance; the Group's key focus areas include the following:

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

8.1 Occupational Safety and Health

Monjasa has a strong commitment to providing a safe working environment for all our employees, contractors and communities where we operate.

Central to managing this is the ongoing cultivation of a culture that cares for each other in everything that we do. Our employees are actively encouraged to question whether a situation or task is safe to be undertaken and act accordingly if not.

Monjasa actively practices this by assessing hazards and risks in all our activities and ensuring that safety controls are effectively implemented. Our risks range from operational when delivering bunkers to office ergonomics; including but not limited to handling mooring ropes, hose connection set up, emergency management and psychological hazards.

During 2020, we transitioned our management system to ISO 45001:2018. The implementation of this new standard ensures implementing a more dynamic, process-based management system that considers both risks and opportunities for all interested parties. Given the significant changes to the context of Monjasa in 2020, Covid-19 pandemic, we concentrated our efforts on managing the dynamic evolving situation to ensure the safety and health of all employees across our operations. We deployed a Covid-19 taskforce supported by local focal points to ensure understanding of local context and adoption of policies in line with global guidance and local regulations.

8.2 Environment and sustainability and climate

We have a commitment and responsibility to ensure the sustainable future of the areas where we operate. This means we take all reasonable precautions to ensure our business activities cause minimal impact to the environment.

We aim to reduce our environmental footprint by implementing practical and sustainable solutions.

Our environmental impacts include but are not limited to potential oil spills during our bunkering operations and CO2 emissions for our office and operational environment. We have implemented bunker fuel and electricity consumption monitoring through ship energy efficient management plans and quarterly HSEQ reporting. Furthermore, we have obtained ISO 50001:2018 certification for our offices to manage our energy consumption and promote energy efficiency.

See section 9.2 and 9.3 for further detail on our 2020 accomplishments.

8.3 Transparency and ethics

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

Monjasa aims to eliminate, mitigate and manage risks such as bribery and corruption in all its forms, including bunker fraud, by complying with all relevant local and international legislation, particularly on trade restrictions and competition.

Monjasa addresses compliance risks and exposures through, systematic and regular monitoring, the establishment of policies and procedures, the implementation of controls, and through ongoing training of relevant staff across the Group.

Our compliance framework is revised continuously to ensure that our commitment to ethics and integrity always updated with regulatory developments in a business environment that is continuously becoming stricter and more challenging.

Compliance risks are one of the most serious challenges we face as a global business, however, we believe that our dedicated commitment to compliance, transparency, and ethics sets us apart from our peers and our competition.

In 2020, we have continued to develop and strengthen the understanding of bribery and corruption risks across our Group. During the summer, 96% of employees across the Group completed our new Anti-Bribery & Anti-Corruption (ABAC) e-learning module.

Monjasa deploys the ABAC e-learning as a mandatory yearly requirement for all employees.

Overall, 298.5 hours of compliance trainings were carried out across the Group this year compared to a total of 219.5 hours of trainings conducted in 2019. The increase in 2020 was a result of additional efforts to secure the best possible internal preparations for the IMO 2020 fuel transition as well as additional Compliance refresher sessions.

Furthermore, Monjasa employees have had access to an external whistle-blower line to report concerns anonymously and confidentially. This line is handled by law firm Holst Advokater, which ensures that all complaints are taken seriously and investigated independently. Monjasa's whistle-blower line has been functioning adequately during 2020 and no reports were filed.

Additionally, this year we have continued to engage and work with peers in the bunkering and maritime industries including the Maritime Anti-Corruption Network (MACN) towards our vision of a maritime industry free of corruption despite restrictions and challenges faced due to the global pandemic.

The Compliance department continued to actively support Monjasa's effort to ensure complete alliance with the sulphur cap coming into force in January 2020. The team conducted trainings and raised awareness across the Group to ensure that all supplies of high sulphur fuel oil were supported by adequate documentation.

8.3.1 Data protection

In line with the EU General Data Protection Regulation (GDPR) that came into force in May 2018, Monjasa has taken all necessary measures to ensure compliance.

This includes establishing a data protection framework, mapping processes, reviewing contracts, and raising awareness through training and education via the GDPR portal on our intranet and relevant e-learning modules.

During 2020, we responded to one data access request in line with requirements set out in applicable legislation.

8.4 Diversity, working environment, equality, and human rights

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

8.4.1 Diversity

Monjasa has a global workforce of 40 nationalities and prides itself in being a diverse workplace where we encourage the airing of different perspectives.

With our diverse skillsets, backgrounds, and experiences, we enrich our own culture and challenge status quo together.

HR established 'feedback' as a theme in 2019, empowering managers and employees with feedback tools to take important dialogues about performance and development.

In 2020, we built further on this foundation by conducting Insights Full Circle workshops, a tool that offers 360 feedback in a way that is positive and motivates employees to take action to improve relationships. This promotes mutual understanding and team effectiveness.

8.4.2 Working environment
We place a great emphasis on offering the best possible working conditions across the Group. This includes a safe and healthy environment, which in turn has a positive impact on employees both physically and mentally.

When it comes to the health and safety of employees, we ensure consistency across the Group. This means that we ensure that the Danish working environment legislation (considered among the world's most protective) is applied on working conditions in all offices as a minimum.

Monjasa's working environment is diverse; the Group has both offices and vessels. 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 2020 for its risks, including those that may result in man-made workplace emergency situations and natural emergency situations.

Monjasa has active working environment committees across the Group involving a local representative and the HSEQ department. They take quarterly meetings to identify areas for improvement in the local working environment.

In 2020, we conducted team workshops to follow up on the Employee Engagement Surveys (EES) across the Group in late 2019. While we achieved a score of 8.7 out of 10 for overall satisfaction with Monjasa as a workplace, we found it important use the engagement results to sustain and develop Monjasa's working environment.

The Covid-19 pandemic that struck us globally, tested our resilience and our ability to adapt to the fast-changing circumstances. Having to work from home for various lengths of time, Monjasa sought to sustain high levels of employee motivation and engagement through arranging virtual social events and to support managers with tools to ensure continued focus on our employees' well-being.

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

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

8.4.4 Human rights
Monjasa is deeply committed to respecting and upholding Human Rights as enshrined in the UN Declaration of Human Rights and other relevant UN documents. The UN Declaration of Human Rights and international labour laws such as ILO Conventions regarding forced or compulsory labour, as well as child labour, are a part of our Code of Conduct.

New and existing suppliers, business partners and contractors agree to adhere to this Code of Conduct when doing business with Monjasa. Additionally, Monjasa's counterparty screening system covers human rights violations, allowing us to identify issues and to take action proactively if any incidents are reported.

During 2020, no violations of human rights among our suppliers or other business partners were reported to Group Management.

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

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

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

Monjasa's collaboration with FANT consists of a three-year partnership making us main sponsors for the Hill Station Football Club in Freetown, one of FANT's in total 18 football clubs in Sierra Leone. In 2020, Monjasa increased its support to FANT by supporting the local clubs and communities with donations earmarked for Covid-19 related measures.

To us, FANT is a leading example of how sport can establish relations and break boundaries between people despite different cultures, gender, ethnicities, religion, and social hierarchy, through one common interest – football. In the coming years, Monjasa expects to further develop collaboration with FANT.

Smile Train empowers local medical professionals with training, funding, and resources to provide 100% free cleft surgeries and comprehensive cleft care to children globally.

Clefts are the leading birth defect in many developing countries, and it is estimated more than 200,000 babies are born with a cleft lip every year.

Back in 2018, Monjasa engaged in a two-year partnership to support Smile Train's local programmes in Panama. Through this local collaboration, Monjasa has directly contributed to cleft surgeries and orthodontic treatments as well as protective equipment and Covid-19 testing for patients and medical partners.

During the year, Monjasa also engaged in a new collaboration with Smile Train in Vietnam. In this partnership, Monjasa supports families to receive reliable transportation and shelter for relatives in connection with local cleft treatments.

In addition to this, Monjasa supports various social developments, including local sports in Denmark for the benefit of the local community.

8.6 Gender distribution

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

The Group is committed to providing equal opportunities at the workplace – we recruit and promote employees based solely on merit rather than focusing on gender equality.

The female composition of employees in the organisation in 2020 is at 30% (2019: 28%). The current representation reflects the shipping and IT consultancy industries at large.

The female representation of managers in the Monjasa group increased from 19% in 2019 to 23% in 2020. While we are aware that the gender composition at manager levels is disproportionate 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 the current legislation to counteract the gender imbalance in boardrooms, Monjasa has set at target to introduce at least one female to the board. The aim was to reach the target in 2022. In 2020, we welcomed a maritime professional, Lotte Grønborg Lundberg, to the board, which is thereby composed by four males and one female. Lotte Grønborg Lundberg brings extensive experience from A.P. Møller-Maersk Group and holds various board positions within the industry.

Monjasa regularly reviews the recruitment and advancement processes to ensure that unconscious preferences and prejudices are mitigated.

In the recruitment and hiring processes, we ensure that job ads are formulated in such a way that appeal to both genders and attract the broadest pool of qualified candidates.

We seek to eliminate gender-based expressions, to have a more inclusive language in our communication material. At recruitment events and career fairs, the HR department and hiring managers actively approach a diverse candidate pool and actively introduce female candidates to the shipping industry.

Where possible, we also ensure to shortlist both genders for interviews. When filling in managerial positions, we focus on hiring/promoting candidates with relevant competencies and experience. We actively ensure that female candidates are included in the pool of candidates, regardless of individual stage in familial life.

The HR department continues to focus on spreading awareness in unconscious bias during leadership courses and relevant forums with managers. We believe that by being curious, removing misconceptions and exploring assumptions, we shape a culture that is more supportive and inclusive. This will naturally give rise to a more diverse representation at the management level.

In 2020, Monjasa further committed to Danish Shipping's "Charter for more Women in Shipping" initiative. The initiative aims at increasing the share of females in Danish shipping companies, showing our commitment to develop and set targets for diversity in our organisation.

9.0 Management System Certifications

9.1 Occupational Health and Safety Management (ISO 45001:2018)

Monjasa has transitioned its management system from OHSAS 18001:2007 to ISO 45001:2018. This transition ratifies Monjasa's ongoing commitment towards ensuring the health and safety of our employees, contractors and communities.

The purpose of this certification is to ensure sound management of health and safety risks posed to our employees. At the same time, we are ensuring the safety of those who work with us, creating better and safer working conditions.

2020 was a year like no other since we faced the Covid-19 pandemic, never before have we had to respond to such a significant issue, with the potential to impact on all parts of the business at the same time. This posed new challenges to continue running our business as well as to continue providing a safe workplace both onshore and offshore. Most of our offices transitioned into working from home for an extended period of time which resulted in greater focus on ergonomics, psychological hazards and maintaining connection from a distance. Our employees quickly adapted and found new ways to work safely and connect.

On board our vessels, we applied a no third-party/visitor policy unless necessary and only upon completion of a health declaration form. Our crew change was challenged by the dynamic travel restrictions and closure of borders. As a result, we had to adjust the rotations and travel journeys to ensure sufficient rest and fitness for work.

During 2020, there were no fatalities and no lost time injury incidents in the Group. We have continued to enhance our safety culture with robust incident investigation, leadership and implementation of corrective actions to address root causes and manage risks.

We continue to strengthen our safety leadership and culture by educating our employees about the importance of health and safety and being mindful of the possibility of what could go wrong. The aim is to create a culture where it is intuitive and safe to speak up and report hazards and incidents.

During 2020, an HSEQ e-learning module was developed in conjunction with Monjasa Academy. The e-learning programme will be launched in 2021 and it will be mandatory for all existing employees and going forward an integral part of our onboarding process.

9.2 Environmental Management (ISO 14001:2015)
The purpose of this certification is to ensure we manage and minimise the impact our business activities pose to the environment.

We seek to avoid, minimise and mitigate adverse environmental impacts at every stage of our operations. However, we recognise our activities have an environmental footprint and therefore commit to deliver year on year improvements. These improvements begin by establishing our CO2 emissions carbon footprint and is followed up by a strategy to reduce our operational emissions in line with emerging policies and regulations supporting decarbonisation of shipping.

Further details on the above initiatives are published in the Monjasa Holding A/S 2020 Responsibility Report.

In 2020, the Group delivered 4.9 million mts of marine fuel and experienced zero environmental incidents on our vessels during operation. We acknowledge that we have a responsibility towards the global environment and climate challenges and are therefore actively seeking opportunities to reduce our environmental footprint.

As part of our commitment to reduce our environmental impact, we are fully compliant with IMO 2020 and all our vessels are fuelled by either Very Low Sulphur Fuel Oil (VLSFO) or Marine Gas Oil (MGO) products.

From June 2020, we started to actively monitor our printing activity across our offices. From a total of 24,000 pages printed in June we managed to reduce this number to 11,000 pages by December, although this coincides with Covid-19 measures implemented, which resulted in some employees working from home. We will continue monitoring throughout 2021 and implement further improvements to enable digital transformation of our business. We also implemented proper waste segregation in line with local regulations or in areas where recycling was not fully supported, we instigated the implementation of it. We have also removed the use of water bottles in our offices to support elimination of single use plastic.

9.3 Energy Management (ISO 50001:2018)
The purpose of this certification is to improve our energy use, taking control of how we consume energy and improve energy efficiency across our offices and operations. We are contributing to green energy production by providing offshore accommodation vessels for those constructing offshore wind farms.

In 2020, we extended the scope of our ISO 50001 certification to include the Monjasa offices, starting to monitor our energy consumption we achieved a reduction of 31.377 MWh when compared to 2019, which is a decrease of 7% in our corporate offices. On board Wind Innovation, we also achieved a total energy saving of 376.4 MWh with the installation of DESMI Optisave in the cooling and ventilation system. This saving is an increase of 44% when compared with 2019

9.4 Quality Management (ISO 9001:2015)
Customer feedback is important to us. It provides Monjasa a platform for managing and improving our overall business.

We strive to ensure that our customers are satisfied, and that, should any deviations occur, appropriate action is taken. Monjasa issues Customer Satisfaction Surveys after each delivery in their physical set up across the Americas, Northwest Europe, West Africa and the Middle East.

During 2020, we delivered 1.5 million mts on our physical setup and completed 4,047 surveys, of which 4,009 were satisfied and 38 found to be justified with identified corrective actions, offering further guidance for improving quality continuously. This means our 2020 Group Customer Satisfaction rating was 99.06% which is an improvement from the 2019 rate of 97.67%

9.5 Recognition from industry stakeholders
During 2020, Monjasa was shortlisted at the Maritime Standard Awards in Dubai in the category of Corporate Social Responsibility for its diverse efforts demonstrating social responsibility to tackle climate change and other societal issues.

10.0 Intellectual capital resources

The Group depends on skilled and motivated employees who identify themselves with the purpose of the Monjasa Group. The Group spends considerable resources attracting new talent, as well as developing current employees.
In 2020, we conducted a Global Office Admin workshop

that brought together office managers and other administrative support employees that support our business in delivering results in the most effective way. They sharpened their competencies within general office management and learnt new tools that benefit their project management and daily tasks.

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

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

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

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 3m (2019: USD 4m). Uncertainty exists regarding timing of the receivable due to local restrictions on transferring cash out of the jurisdiction.

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

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

12.0 Unusual circumstances

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

13.0 Investments in subsidiaries

Solvency is maintained at an adequate level in all subsidiaries and therefore no further additional capital injection was required in 2020.

14.0 Changes in the business

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

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

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

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

Financial statement

Income statement

	Note	Group 2020	Group 2019	Parent company 2020	Parent company 2019
		USD '000	USD '000	USD '000	USD '000
Revenue	1	1,950,885	2,191,082	0	0
Other operating income and expenses		1,501	466	1,703	1,570
Cost of sales		-1,835,435	-2,074,566	0	0
Other external expenses		-23,877	-23,320	-3,948	-4,299
Gross profit/loss		**93,074**	**93,662**	**-2,245**	**-2,729**
Staff expenses	2	-42,617	-39,040	-3,936	-3,230
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment	3	-16,448	-18,527	-11	-50
Profit/loss before financial income and expenses		**34,009**	**36,095**	**-6,192**	**-6,009**
Income from investments in subsidiaries and associates after tax	4	-39	0	27,577	41,590
Financial income	5	3,435	4,021	6,214	4,008
Financial expenses	6	-6,373	-8,356	-4,131	-5,465
Profit/loss before tax		**31,032**	**31,760**	**23,468**	**34,124**
Tax on profit/loss for the year	7	-992	-5,266	539	-1,533
Net profit/loss for the year	**8**	**30,040**	**26,494**	**24,007**	**32,591**

Financial statement

Balance sheet
Assets

	Note	Group 2020	Group 2019	Parent company 2020	Parent company 2019
		USD '000	USD '000	USD '000	USD '000
Software and licences		2,593	2,804	0	0
Goodwill		1,806	2,250	0	0
Intangible assets	**9**	**4,399**	**5,054**	**0**	**0**
Land and buildings		5,001	5,064	0	0
Ships		56,687	61,723	0	0
Other fixtures and fittings, tools and equipment		1,777	1,342	0	11
Leasehold improvements		434	489	0	0
Tangible fixed assets	**10**	**63,899**	**68,618**	**0**	**11**
Investments in subsidiaries	11	0	0	135,931	124,420
Investments in associates	12	0	5	0	0
Other investments	13	243	243	0	0
Deposits	13	2,130	1,961	0	0
Other receivables	13	167	152	0	0
Fixed assets investments		**2,540**	**2,361**	**135,931**	**124,420**
Fixed assets		**70,838**	**76,033**	**135,931**	**124,431**
Inventories		**42,266**	**55,671**	**0**	**0**

Financial statement

Balance sheet
Assets

	Note	Group 2020	Group 2019	Parent company 2020	Parent company 2019
		USD '000	USD '000	USD '000	USD '000
Trade receivables		183,523	295,740	0	0
Receivables from related/group enterprises		3,062	231	93,363	98,306
Receivables from associates		4,427	3,929	2,798	3,791
Other receivables	18	10,070	9,809	1,527	1,827
Tax receivables		2,385	499	470	0
Deferred tax asset	16	4,360	3,088	27	34
Prepayments	14	3,261	3,346	0	0
Receivables		**211,088**	**316,642**	**98,185**	**103,958**
Cash at bank and in hand		**10,395**	**21,375**	**52**	**7,537**
Current assets		**263,749**	**393,688**	**98,237**	**111,495**
Assets		**334,587**	**469,721**	**234,168**	**235,926**

Financial statement

Balance sheet
Liabilities and equity

	Note	Group 2020	Group 2019	Parent company 2020	Parent company 2019
		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	109,958	109,147
Retained earnings		132,381	128,430	25,063	27,893
Proposed dividend for the year		2,500	5,000	2,500	5,000
Non-controlling interests		1,170	1,334	0	0
Equity		**136,136**	**134,849**	**137,606**	**142,125**
Provisions		110	0	0	0
Provisions		**110**	**0**	**0**	**0**
Bank loans		7,280	0	0	0
Lease obligations		1,031	1,022	0	0
Other payables		0	4,952	0	0
Long-term debt	**17**	**8,311**	**5,974**	**0**	**0**

Financial statement

Balance sheet
Liabilities and equity

		Group		Parent company	
	Note	2020	2019	2020	2019
		USD '000	USD '000	USD '000	USD '000
Credit institutions	17	45,825	97,117	28,753	20,529
Lease obligations	17	304	1,303	0	0
Other payables	17	0	905	0	0
Prepayments received from customers		1,725	1,493	0	0
Trade payables		113,879	218,805	2,509	1,066
Payables to related/group enterprises		1,306	3,008	64,780	70,835
Payables to associated enterprises		2,048	198	0	0
Corporation tax		11,360	1,058	0	0
Other payables	18	13,583	5,011	520	1,371
Short-term debt		**190,030**	**328,898**	**96,562**	**93,801**
Debt		**198,451**	**334,872**	**96,562**	**93,801**
Liabilities and equity		**334,587**	**469,721**	**234,168**	**235,926**

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

Financial statement

Statement of changes in equity

	Group				
	Share capital	Retained earnings	Proposed dividend for the year	Non-controlling interests	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Equity at 1 January	85	128,430	5,000	1,334	134,849
Dividend paid	0	0	-5,000	-495	-5,495
Extraordinary dividend	0	0	-24,000	0	-24,000
Exchange adjustments relating to separate foreign legal entities	0	608	0	134	742
Net profit/loss for the year	0	3,343	26,500	197	30,040
Equity at 31 December	**85**	**132,381**	**2,500**	**1,170**	**136,136**

	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	USD '000
Equity at 1 January	85	109,147	27,893	5,000	142,125
Dividend paid	0	0	0	-5,000	-5,000
Extraordinary dividend	0	0	0	-24,000	-24,000
Dividend received from investments in subsidiaries	0	-27,067	27,067	0	0
Exchange adjustments relating to separate foreign legal entities	0	301	173	0	474
Net profit/loss for the year	0	27,577	-30,070	26,500	24,007
Equity at 31 December	**85**	**109,958**	**25,063**	**2,500**	**137,606**

Financial statement

Cash flow statement

	Note	Group 2020	2019
		USD '000	USD '000
Net profit/loss for the year		30,040	26,494
Adjustments	23	19,408	28,104
Change in working capital	24	35,547	-73,157
Cash flows from operating activities before financial income and expenses		**84,995**	**-18,559**
Financial income received		2,346	6,151
Financial expenses paid		-5,642	-8,224
Cash flows from ordinary activities		**81,699**	**-20,632**
Corporation tax received/paid		-1,856	-842
Cash flows from operating activities		**79,843**	**-21,474**
Purchase of intangible assets		-1,286	-986
Purchase of property, plant and equipment		-8,051	-20,148
Sale of property, plant and equipment		572	402
Investment in subsidiaries		-2	0
Cash flows from investing activities		**-8,767**	**-20,732**
Proceeds from borrowings from credit institutions		-	53,865
Repayment of loans to credit institutions		-44,917	-
Repayment from borrowings other loan		-4,952	-894
Change in receivables from group		-2,831	3,916
Change in receivables from associates		-498	3,282
Change in loans to group		-1,702	-4,437
Change in loans to associates		1,850	21
Repayments of lease obligations		-990	26
Dividends paid		-29,000	-11,858
Transactions with non-controlling interest		0	643
Cash flows from financing activities		**-83,040**	**44,564**
Change in cash and cash equivalents		**-11,964**	**2,358**
Cash and cash equivalents at 1 January		21,375	18,731
Exchange rate adjustments		984	286
Cash and cash equivalents at 31 December		**10,395**	**21,375**

Financial statement

Notes to the annual report

1 Segment information	Group
	Revenue
	USD '000
Business segment 2020	
Oil	1,920,847
Offshore wind	17,395
Other	12,643
	1,950,885
Business segment 2019	
Oil	2,165,004
Offshore wind	15,498
Other	10,580
	2,191,082

2 Staff expenses		Group		Parent company
	2020	**2019**	**2020**	**2019**
	USD '000	USD '000	USD '000	USD '000
Wages and salaries	40,657	37,450	3,846	3,153
Pensions	1,543	1,306	90	76
Other social security expenses	417	284	0	1
	42,617	**39,040**	**3,936**	**3,230**
Including remuneration to the Executive management of:	2,638	2,365	2,638	2,365
Including remuneration to the Board of Directors of:	306	271	306	271
Average number of employees	**509**	**503**	**5**	**5**

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Notes to the annual report

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		Group
	2020	**2019**
	USD '000	USD '000
Software and licenses	1,103	1,043
Goodwill	439	443
Land and buildings	664	1,625
Ships	13,360	14,442
Other fixtures and fittings, tools and equipment	732	845
Leasehold improvements	150	129
	16,448	**18,527**

4 Income from investments in subsidiaries and associates after tax		Group		Parent company
	2020	**2019**	**2020**	**2019**
	USD '000	USD '000	USD '000	USD '000
Share of profits of subsidiaries after tax	0	0	27,577	41,590
Share of profits of associates after tax	-39	0	0	0
	-39	**0**	**27,577**	**41,590**

Financial statement

Notes to the annual report

5 Financial income	Group		Parent company	
	2020	**2019**	**2020**	**2019**
	USD '000	USD '000	USD '000	USD '000
Interest income from related/group enterprises	57	16	4,896	3,993
Exchange adjustments	1,885	359	1,316	0
Other financial income	1,493	3,646	2	15
	3,435	**4,021**	**6,214**	**4,008**

6 Financial expenses				
	2020	**2019**	**2020**	**2019**
	USD '000	USD '000	USD '000	USD '000
Interest expenses to related/group enterprises	176	234	3,228	4,703
Exchange adjustments	731	311	0	51
Other financial expenses	5,466	7,811	903	711
	6,373	**8,356**	**4,131**	**5,465**

7 Tax on profit/loss for the year				
	2020	**2019**	**2020**	**2019**
	USD '000	USD '000	USD '000	USD '000
Current tax for the year	2,131	941	-470	0
Deferred tax for the year	-1,384	3,389	7	1,532
Adjustment of tax concerning previous years	126	340	-54	0
Adjustment of deferred tax concerning previous years	119	596	-22	1
Total tax for the year	**992**	**5,266**	**-539**	**1,533**

8 Distribution of profit				
	2020	**2019**	**2020**	**2019**
	USD '000	USD '000	USD '000	USD '000
Extraordinary dividend paid out	24,000	7,000	24,000	7,000
Proposed dividend for the year	2,500	5,000	2,500	5,000
Reserve for net revaluation under the equity method	0	0	510	12,157
Retained earnings	3,343	14,357	-3,003	8,434
Minority shareholders' share of profit subsidiaries	197	137	0	0
	30,040	**26,494**	**24,007**	**32,591**

Financial statement

Notes to the annual report

9 Intangible assets

	Group	
	Software and licenses	**Goodwill**
	USD '000	USD '000
Cost at 1 January	7,207	3,632
Correction previous year	-380	0
Net exchange adjustment	3	0
Additions for the year	1,286	0
Disposals for the year	-38	0
Cost at 31 December	**8,078**	**3,632**
Impairment losses and amortisation at 1 January	4,403	1,382
Net exchange adjustment	1	5
Amortisation for the year	1,103	439
Reversal of amortisation of disposals	-22	0
Impairment losses and amortisation at 31 December	**5,485**	**1,826**
Carrying amount at 31 December	**2,593**	**1,806**
Amortised over	5-8 years	5-10 years

Financial statement

Notes to the annual report

10 Property, plant and equipment

				Group
	Land and buildings	Ships	Other fixtures and fittings, tools and equipment	Leasehold improvements
	USD '000	USD '000	USD '000	USD '000
Cost at 1 January	8,115	91,842	9,524	1,813
Net exchange adjustments	0	4,442	53	20
Additions for the year	819	5,903	1,241	88
Disposals for the year	0	0	-572	0
Cost at 31 December	**8,934**	**102,187**	**10,246**	**1,921**
Impairment losses and depreciation at 1 January	3,051	30,120	8,182	1,324
Adjustment previous years	217	0	0	0
Net exchange adjustments	1	2,020	47	13
Depreciation for the year	520	6,523	732	150
Impairment losses for the year	144	6,837	0	0
Reversal of impairment and depreciation of disposals	0	0	-492	0
Impairment losses and depreciation at 31 December	**3,933**	**45,500**	**8,469**	**1,487**
Carrying amount at 31 December	**5,001**	**56,687**	**1,777**	**434**
Depreciated over	20 years	3-15 years	3-5 years	4-5 years

Financial statement

Notes to the annual report

11 Investments in subsidiaries

	Parent company	
	2020	**2019**
	USD '000	USD '000
Cost at 1 January	15,273	16,223
Additions for the year	10,699	5,726
Disposals for the year	0	-6,676
Cost at 31 December	**25,972**	**15,273**
Revaluations at 1 January	109,147	105,259
Reversal of revaluations	0	-29,433
Net exchange adjustment	302	-269
Net profit/loss for the year	27,577	41,590
Dividends received	-27,067	-8,000
Revaluations at 31 December	**109,959**	**109,147**
Carrying amount at 31 December	**135,931**	**124,420**

Financial statement

Notes to the annual report

11 Investments in subsidiaries

Name	Place of registered office	Votes and ownership
Downstream Holding A/S	Fredericia, Denmark	100%
Monjasa A/S	Fredericia, Denmark	100%
RelateIT A/S	Odense, Denmark	80%
RelateIT Holding A/S	Odense, Denmark	80%
RelateIT DMCC	Dubai, United Arabic Emirates	80%
XtensionIT ApS	Odense, Denmark	100%
Monjasa Inc	Connecticut, USA	100%
Monjasa DMCC	Dubai, United Arabic Emirates	100%
Monjasa Chartering DMCC	Dubai, United Arabic Emirates	100%
Monjasa Chartering II DMCC	Dubai, United Arabic Emirates	100%
Montec Ship Management DMCC	Dubai, United Arabic Emirates	100%
Monjasa Marine LLC	Dubai, United Arabic Emirates	49%
Biamark (PTY) Ltd	Windhoek, Namibia	55%
Monjasa Pte Ltd	Singapore	100%
Monjasa S.A	Panama, Panama	100%
Monjasa MHQ S.A	Panama, Panama	100%
Monjasa PTY, S.A.	Panama, Panama	100%
Monjasa S.A. de C.V.	Mexico City, Mexico	100%
Monjasa Combustíveis Ltda	Rio de Janeiro, Brazil	100%
Monjasa C.I.S.A.S	Bogotá D.C., Colombia	100%
Monjasa LTD	Limassol, Cyprus	100%
Monjasa LTD	London, United Kingdom	100%
Monjasa LTD (Gibraltar)	Gibraltar	100%
Midstream Holding A/S	Fredericia, Denmark	100%
Logistics Holding A/S	Fredericia, Denmark	100%
African Runner Shipping ApS	Fredericia, Denmark	100%
Monjasa Chaser ApS	Fredericia, Denmark	100%
Monjasa Sprinter ApS	Fredericia, Denmark	100%
Monjasa Provider ApS	Fredericia, Denmark	100%
Monjasa Chartering ApS	Fredericia, Denmark	100%
Energizer Shipping ApS	Fredericia, Denmark	100%
Monjasa Nordics ApS	Fredericia, Denmark	100%
C-bed I ApS	Fredericia, Denmark	100%
C-bed Holding A/S	Fredericia, Denmark	100%
First Arctic A/S	Fredericia, Denmark	100%

Financial statement

Notes to the annual report

12 Investments in associates

	Group	
	2020	**2019**
	USD '000	USD '000
Cost at 1 January	7	2
Additions for the year	35	5
Cost at 31 December	**42**	**7**
Impairment losses and amortisation at 1 January	2	2
Impairment losses for the year	40	0
Revaluations at 31 December	**42**	**2**
Carrying amount at 31 December	**0**	**5**

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

Financial statement

Notes to the annual report

13 Other fixed asset investments

	Other investments	Deposits	Other receivables
			Group
	USD '000	USD '000	USD '000
Cost at 1 January	243	1,961	152
Net exchange adjustments	0	100	15
Additions for the year	0	159	0
Disposals during the year	0	-90	0
Cost at 31 December	**243**	**2,130**	**167**
Carrying amount at 31 December	**243**	**2,130**	**167**

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	
	2020	**2019**	**2020**	**2019**
	USD '000	USD '000	USD '000	USD '000
Deferred tax at 1 January	3,088	7,599	34	1,964
Change during the year	1,384	-3,389	-7	-1,532
Adjustment concerning previous years recognised in the income statement	-119	-596	22	0
Adjustment concerning previous years	7	-526	-22	-398
Deferred tax at 31 December	**4,360**	**3,088**	**27**	**34**

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

Financial statement

Notes to the annual report

17 Financing	Group		Parent company	
	2020	**2019**	**2020**	**2019**
	USD '000	USD '000	USD '000	USD '000
Credit institutions				
Between 1 and 5 years	7,280	0	0	0
Long-term part	**7,280**	**0**	**0**	**0**
Credit institutions with credit lines	43,745	97,117	28,753	20,529
Other short-term debt to credit institutions within 1 year	2,080	0	0	0
Short-term part	**45,825**	**97,117**	**28,753**	**20,529**
Total credit institutions	**53,105**	**97,117**	**28,753**	**20,529**
Lease obligations				
Between 1 and 5 years	1,031	1,022	0	0
Long-term part	**1,031**	**1,022**	**0**	**0**
Within 1 year	304	1,303	0	0
Short-term part	**304**	**1,303**	**0**	**0**
Total lease obligations	**1,335**	**2,325**	**0**	**0**
Other payables				
Between 1 and 5 years	0	4,952	0	0
Long-term part	**0**	**4,952**	**0**	**0**
Within 1 year	0	905	0	0
Short-term part	**0**	**905**	**0**	**0**
Total other payables	**0**	**5,857**	**0**	**0**

Notes to the annual report

18 Derivative financial instruments			Group
		2020	2019
	Net volume	Net value	Net value
	MTS'000	USD '000	USD '000
Derivaties used for fair value hedging of inventory			
Derivatives maturing within 0-3 months	-21	-1,054	-925
Derivaties used for fair value hedging of firm commitments			
Derivatives maturing within 0-3 months	9	389	1,161
Derivatives maturing within 3-12 months	29	890	306
	17	**225**	**542**

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

The Group has no unhedged firm commitments.

Financial statement

Notes to the annual report

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

GROUP

Rental agreements and leases

The Group has assumed operating lease obligations which at 31 December 2020 amounts to USD 18.2m (2019: USD 14.3m) in the period of non-terminability of up to 89 months (2019: 64 months)

The Group has assumed charter hire obligations which at 31 December 2020 amount to USD 19.9m (2019: USD 7.0m).

Security

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

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

PARENT COMPANY

Contingent liabilities

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

Joint tax

As from 30 August 2017 Endeavour Invest ApS is the management company for the Danish jointly, taxed companies. The management company has unlimited, joint and several liability together with the other jointly taxed companies for all corporate income taxes arising under the joint taxation scheme. Corporate income tax payable for the Danish jointly taxed companies amounted to USD 0m at 31 December 2020 (2019: USD 0m).

Monjasa Supplier
the 8,839-dwt tanker is deployed on the Cristóbal side of the Panama Canal.

Financial statement

Notes to the annual report

20 Fee to auditors appointed at the general meeting		Group
	2020	**2019**
	USD '000	USD '000
Audit fee	415	436
Tax advisory services	271	50
Non-audit services	124	72
	810	**558**

21 Related parties

Related parties are defined as parties with control or significant influence, including Group companies. All internal transactions is performed in accordance with the arms lengths principle as stipulated by the OECD.

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

Other related parties

Christian Merrild	Chairman of the Board of Directors
Lotte Grønborg Lundberg	Member of the Board of Directors
Flemming Edvard Ipsen	Member of the Board of Directors
Peder Gellert Pedersen	Member of the Board of Directors
Anders Østergaard	Chief Executive Officer and member of the Board of Directors
Svend Stenberg Mølholt	Chief Operating Officer

22 Events after the balance sheet date

As of March 2021, Management is not aware of any material changes in the business. Management follows the development of the current Covid-19 pandemic closely and the impact on our business and employees.

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

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

Financial statement

Notes to the annual report

23 Cash flow statement adjustments		Group
	2020	**2019**
	USD '000	USD '000
Financial income	-3,435	-4,021
Financial expenses	6,373	8,356
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	16,448	18,527
Gain/loss on sales of fixed assets	-970	-24
Tax on profit/(loss) for the year	992	5,266
Total adjustments	**19,408**	**28,104**

24 Cash flow statement - change in working capital		Group
	2020	**2019**
	USD '000	USD '000
Change in inventories	13,405	12,322
Change in receivables	114,223	-85,964
Change in trade payables, etc.	-92,081	485
Total change in working capital	**35,547**	**-73,157**

Accounting Policies

Basis of preparation
The Annual Report of Monjasa Holding A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C, unchanged from 2019.

Changes in accounting policies
The accounting policies remain unchanged for the Consolidated financial statements compared to 2019.

Recognition and measurement
The Financial Statements have been prepared under the historical cost method.

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

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

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

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

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

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

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

(USD in 2020: 6.53, 2019: 6.68)

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

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

Derivative Financial Instruments

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

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

Translation policies

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

Receivables, payables, and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement. Please see the section on derivative financial instruments.
Income statements of foreign subsidiaries and associates that are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange rate adjustments arising at the translation of the opening equity and exchange rate adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statement revenue

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

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

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

Cost of sales

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

Other operating income and expenses

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

Other external expenses

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

Staff expenses

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

Depreciation, amortisation and impairment of property, plant and equipment and intangible assets

Accounting policies

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

Income from investments in subsidiaries

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

Financial income and expenses

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

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 on profit/loss for the year
Tax for the year consist of current tax for the year and adjustment of deferred tax for the year. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

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

Balance sheet

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

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

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

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

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

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

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

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

Assets costing less than DKK 14,100 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.

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

Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash and cash equivalents in the cash flow statement
Cash and cash equivalents comprise "Cash at bank and in hand".

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

Explanation of financial ratios

Gross margin	=	Gross profit x 100 Revenue
Profit margin Revenue	=	Profit before financials x 100
Return on assets Total assets	=	Profit before financials x 100
Solvency ratio Total assets	=	Equity at year end x 100
Return on equity Average equity	=	Net profit for the year x 100

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 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. Monjasa u svakoj luci. Kami Monjasa

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