

## **Downstream Holding A/S**

Strevelinsvej 34  
7000 Fredericia  
CVR No. 36484063

### **Annual report 2021**

The Annual General Meeting adopted the  
annual report on 16.06.2022

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**Rasmus Ravnholdt Knudsen**  
Chairman of the General Meeting

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# Entity details

## Entity

Downstream Holding A/S

Strevelinsvej 34

7000 Fredericia

Business Registration No.: 36484063

Registered office: Fredericia

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Anders Østergaard

Svend Stenberg Mølholt

Rasmus Ravnholdt Knudsen

## Executive Board

Svend Stenberg Mølholt

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Downstream Holding A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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

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

Fredericia, 16.06.2022

## Executive Board

**Svend Stenberg Mølholt**

## Board of Directors

**Anders Østergaard**

**Svend Stenberg Mølholt**

**Rasmus Ravnholdt Knudsen**

# Independent auditor's report

## To the shareholder of Downstream Holding A/S

### Opinion

We have audited the financial statements of Downstream Holding A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 financial statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

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

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

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

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

Fredericia, 16.06.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Lars Siggaard Hansen**

State Authorised Public Accountant  
Identification No (MNE) mne32208

**Muhammad Ismaeel Rasul**

State Authorised Public Accountant  
Identification No (MNE) mne46641

# Management commentary

## Financial highlights

	2021 USD'000	2020 USD'000	2019 USD'000	2018 USD'000	2017 USD'000
<b>Key figures</b>					
Gross profit/loss	(23)	(586)	(1,260)	(84)	(90)
Net financials	(96)	(667)	(316)	478	433
Profit/loss for the year	21,526	37,196	43,183	11,558	8,315
Total assets	147,120	149,958	123,878	130,266	113,266
Equity	131,600	125,073	113,137	77,954	74,756
<b>Ratios</b>					
Return on equity (%)	16.77	31.23	45.20	15.14	10.72
Equity ratio (%)	89.45	83.41	91.33	59.84	66.00

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

### Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

### Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets



**Primary activities**

The main activity of the Company is investment activity in subsidiaries, with business within reselling and physical supply of oil.

**Development in activities and finances**

Net profit for 2021 amounts to USD 21,526 thousand (2020: 37,196 USD thousand) which is considered satisfactory.

**Profit/loss for the year in relation to expected developments**

The results for the year are as expected. No outlook was disclosed in the 2020 annual report.

**Outlook**

Management expects a profit for 2022, however below the 2021 level.

**Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2021

	Notes	2021 USD'000	2020 USD'000
<b>Gross profit/loss</b>		<b>(23)</b>	<b>(586)</b>
Income from investments in group enterprises		21,905	38,196
Losses from investments in associates		(40)	(40)
Other financial income	2	42	0
Other financial expenses	3	(138)	(667)
<b>Profit/loss before tax</b>		<b>21,746</b>	<b>36,903</b>
Tax on profit/loss for the year	4	(220)	293
<b>Profit/loss for the year</b>	5	<b>21,526</b>	<b>37,196</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 USD'000	2020 USD'000
Investments in group enterprises		132,816	135,158
<b>Financial assets</b>	6	<b>132,816</b>	<b>135,158</b>
<b>Fixed assets</b>		<b>132,816</b>	<b>135,158</b>
Receivables from group enterprises		2,282	14,526
Tax receivable		22	274
<b>Receivables</b>		<b>2,304</b>	<b>14,800</b>
<b>Cash</b>		<b>12,000</b>	<b>0</b>
<b>Current assets</b>		<b>14,304</b>	<b>14,800</b>
<b>Assets</b>		<b>147,120</b>	<b>149,958</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 USD'000</b>	<b>2020 USD'000</b>
Contributed capital	7	82	82
Reserve for net revaluation according to the equity method		9,985	12,372
Retained earnings		97,033	97,619
Proposed dividend		24,500	15,000
<b>Equity</b>		<b>131,600</b>	<b>125,073</b>
Trade payables		518	823
Payables to group enterprises		15,002	24,062
<b>Current liabilities other than provisions</b>		<b>15,520</b>	<b>24,885</b>
<b>Liabilities other than provisions</b>		<b>15,520</b>	<b>24,885</b>
<b>Equity and liabilities</b>		<b>147,120</b>	<b>149,958</b>
Events after the balance sheet date	1		
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# Statement of changes in equity for 2021

	Contributed capital USD'000	Reserve for net revaluation according to the equity method USD'000	Retained earnings USD'000	Proposed dividend USD'000	Total USD'000
Equity beginning of year	82	12,372	97,620	15,000	125,074
Ordinary dividend paid	0	0	0	(15,000)	(15,000)
Profit/loss for the year	0	(2,387)	(587)	24,500	21,526
<b>Equity end of year</b>	<b>82</b>	<b>9,985</b>	<b>97,033</b>	<b>24,500</b>	<b>131,600</b>

# Notes

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Other financial income

	2021 USD'000	2020 USD'000
Financial income from group enterprises	35	0
Exchange rate adjustments	7	0
	<b>42</b>	<b>0</b>

## 3 Other financial expenses

	2021 USD'000	2020 USD'000
Financial expenses from group enterprises	130	603
Exchange rate adjustments	8	64
	<b>138</b>	<b>667</b>

## 4 Tax on profit/loss for the year

	2021 USD'000	2020 USD'000
Current tax	(22)	(274)
Adjustment concerning previous years	242	(19)
	<b>220</b>	<b>(293)</b>

## 5 Proposed distribution of profit and loss

	2021 USD'000	2020 USD'000
Ordinary dividend for the financial year	24,500	15,000
Extraordinary dividend distributed in the financial year	0	25,260
Retained earnings	(2,974)	(3,064)
	<b>21,526</b>	<b>37,196</b>

## 6 Financial assets

	<b>Investments in group enterprises USD'000</b>
Cost beginning of year	122,786
Additions	44
<b>Cost end of year</b>	<b>122,830</b>
Revaluations beginning of year	12,372
Share of profit/loss for the year	21,782
Dividend	(24,250)
Investments with negative equity value depreciated over receivables	82
<b>Revaluations end of year</b>	<b>9,986</b>
<b>Carrying amount end of year</b>	<b>132,816</b>

## 7 Share capital

	<b>Number</b>	<b>Par value USD'000</b>	<b>Nominal value USD'000</b>
Shares	500,000	0,16	82
	<b>500,000</b>		<b>82</b>

## 8 Contingent liabilities

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

## 9 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Monjasa Holding A/S, Fredericia

# Accounting policies

## Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

The functional and presentation currency is USD with the applied exchange rate for 2021: 6.29 (2020: 6.53)

## Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Downstream Holding A/S is included in the consolidated financial statement for Monjasa Holding A/S, Fredericia, Business Registration No 33150709.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the



beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises external expenses.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for office supplies, etc. This item also includes write-downs of receivables recognised in current assets.

### **Income from investments in group enterprises**

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

### **Income from investments in associates**

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

### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies and tax surcharge under the Danish Tax Prepayment Scheme etc.

### **Tax on profit/loss for the year**

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

The Entity is jointly taxed with the Danish Parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## **Balance sheet**

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value

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

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

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

**Receivables**

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

**Tax payable or receivable**

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

**Cash**

Cash comprises bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Other financial liabilities**

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

**Cash flow statement**

A cash flow statement has been omitted in pursuance of the Danish Financial Statements Act section 86, subsection 4. Cash flows are included in the consolidated cash flow statement for Monjasa Holding A/S, Business Registration No 33 15 07 09