

Downstream Holding A/S

Strevelinsvej 34
7000 Fredericia
CVR No. 36484063

Annual report 2022

The Annual General Meeting adopted the
annual report on 02.06.2023

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: 01.01.2022 - 31.12.2022

Board of Directors

Anders Østergaard

Rasmus Ravnholdt Knudsen

Flemming Edvard Ipsen

Executive Management

Anders Østergaard

Rasmus Ravnholdt Knudsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Management have today considered and approved the annual report of Downstream Holding A/S for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 02.06.2023

Executive Management

Anders Østergaard

Rasmus Ravnholdt Knudsen

Board of Directors

Anders Østergaard

Rasmus Ravnholdt Knudsen

Flemming Edvard Ipsen

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 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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.

Copenhagen, 02.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Muhammad Ismaeel Rasul

State Authorised Public Accountant
Identification No (MNE) mne46641

Management commentary

Primary activities

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

Description of material changes in activities and finances

Net profit for 2022 amounts to USD 172,426 thousand (2021: USD 21,526 thousand) which is considered satisfactory.

The Company has current liabilities exceeding current assets. Management has decided to present the financial statements on a going concern basis. Any additional support to secure the operation and financing will be covered by the parent company.

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 2022

	Notes	2022 USD'000	2021 USD'000
Gross profit/loss		(524)	(23)
Income from investments in group enterprises		172,483	21,905
Income from investments in associates		0	(40)
Other financial income	2	63	35
Other financial expenses	3	(157)	(131)
Profit/loss before tax		171,865	21,746
Tax on profit/loss for the year	4	561	(220)
Profit/loss for the year		172,426	21,526
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	24,500
Retained earnings		172,426	(2,974)
Proposed distribution of profit and loss		172,426	21,526

Balance sheet at 31.12.2022

Assets

	Notes	2022 USD'000	2021 USD'000
Investments in group enterprises		283,299	132,816
Financial assets	5	283,299	132,816
Fixed assets		283,299	132,816
Receivables from group enterprises		89	2,282
Deferred tax		110	0
Income tax receivable		467	22
Receivables		666	2,304
Cash		18,000	12,000
Current assets		18,666	14,304
Assets		301,965	147,120

Equity and liabilities

	Notes	2022 USD'000	2021 USD'000
Contributed capital		82	82
Reserve for net revaluation according to the equity method		161,142	9,985
Retained earnings		118,302	97,033
Proposed dividend		0	24,500
Equity		279,526	131,600
Trade payables		524	518
Payables to group enterprises		21,915	15,002
Current liabilities other than provisions		22,439	15,520
Liabilities other than provisions		22,439	15,520
Equity and liabilities		301,965	147,120
Going concern	1		
Employees	6		
Contingent liabilities	7		
Group relations	8		

Statement of changes in equity for 2022

	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	9,985	97,033	24,500	131,600
Ordinary dividend paid	0	0	0	(24,500)	(24,500)
Dividends from group enterprises	0	(21,500)	21,500	0	0
Profit/loss for the year	0	172,657	(231)	0	172,426
Equity end of year	82	161,142	118,302	0	279,526

Notes

1 Going concern

We note that the Company has current liabilities exceeding current assets. Management has decided to present the financial statements on a going concern basis. Any additional support to secure the operation and financing will be covered by the parent company.

2 Other financial income

	2022 USD'000	2021 USD'000
Financial income from group enterprises	62	35
Exchange rate adjustments	1	0
	63	35

3 Other financial expenses

	2022 USD'000	2021 USD'000
Financial expenses from group enterprises	156	130
Other interest expenses	1	0
Exchange rate adjustments	0	1
	157	131

4 Tax on profit/loss for the year

	2022 USD'000	2021 USD'000
Current tax	(467)	(22)
Change in deferred tax	(110)	0
Adjustment concerning previous years	16	242
	(561)	220

5 Financial assets

	Investments in group enterprises USD'000
Cost beginning of year	122,830
Cost end of year	122,830
Revaluations beginning of year	9,986
Share of profit/loss for the year	172,483
Dividend	(21,500)
Impairment losses for the year	(500)
Revaluations end of year	160,469
Carrying amount end of year	283,299

6 Employees

The Entity has no employees other than the Executive Management which are remunerated in Monjasa Holding A/S.

7 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.

8 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 presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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 2022: 7.08 (2021: 6.29)

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, Central 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 stationery and office supplies, etc. This item also includes writedowns 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 company. 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 writedowns for bad and doubtful debts.

Deferred tax

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

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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

Tax payable or receivable

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

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.