

# Nordic Camp Supply ApS

Annual report 2019

The Annual Report was presented and adopted at  
the Annual General Meeting of the Group on



Richard McMichael

Reg No. 79 00 20 11  
Nordic Camp Supply ApS  
Strømmen 6  
9400 Nørresundby

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## Statement by the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board have today considered and adopted the annual report of Nordic Camp Supply ApS for the financial year 1 January – 31 December 2019.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Aalborg, 28 August 2020

Executive Board:



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Gilbert Kearns  
*Managing Director*



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Palle Haring  
*Finance Director*

Supervisory Board



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Michael Joseph Crosby  
*Chairman*



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Richard Donald McMichael



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Ruth Giansante

## Independent Auditor's Report

To the Shareholder of Nordic Camp Supply ApS

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nordic Camp Supply ApS for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, balance sheet, statement of changes in equity, statement of cash flows and notes including a summary of significant accounting policies. ("financial statements").

### 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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

### 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 it 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 judgment and maintain professional skepticism 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 Company'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 Company'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 Company to cease to continue as a going concern.

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

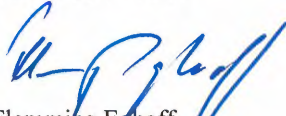
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 28 August 2020

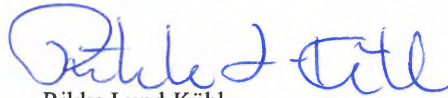
**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Flemming Eghoff  
State Authorised Public Accountant  
MNE No 30221



Rikke Lund-Kühl  
State Authorised Public Accountant  
MNE No 33507

## **Company details**

Nordic Camp Supply ApS  
Strømmen 6  
9400 Nørresundby

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Fax: 70 23 13 08  
Website: [www.ncsfuel.com](http://www.ncsfuel.com)  
E-mail: [sales@ncsfuel.com](mailto:sales@ncsfuel.com)

Company Reg. No.: 79 00 20 11  
Established: 10 October 1985  
Registered office: Aalborg  
Financial year: 1 January – 31 December

### **Supervisory Board**

Michael Joseph Crosby (Chairman)  
Richard Donald McMichael  
Ruth Giansante

### **Executive Board**

Gilbert Kearns, Managing Director  
Palle Harring, Finance Director

### **Auditors**

Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

### **Bankers**

Nordea Bank A/S  
Prinsensgade 15  
9000 Aalborg

### **Lawyers**

Rønne & Lundgren Advokatfirma  
Tuborg Havnevej 19  
2900 Hellerup

## Ledelsesberetning

### Hoved- og nøgletal for koncernen Financial highlights for the Company

USD'000	2019	2018	2017	2016	2015
<b>Key figures</b>					
Revenue	119,714	99,555	86,279	75,933	70,207
Operating profit	65,017	50,794	50,608	40,262	30,250
Profit/loss from financial income and expenses	30,804	7,766	1,943	1,931	3,150
<b>Profit for the year</b>	<b>75,283</b>	<b>446,446</b>	<b>41,207</b>	<b>33,117</b>	<b>25,766</b>
Non-current assets	163	137	205,216	205,089	205,089
Current assets	161,419	801,076	138,026	96,352	54,623
<b>Total assets</b>	<b>161,582</b>	<b>801,213</b>	<b>343,242</b>	<b>301,441</b>	<b>259,712</b>
Share capital	37	37	37	37	37
<b>Equity</b>	<b>137,950</b>	<b>762,704</b>	<b>316,258</b>	<b>275,051</b>	<b>241,934</b>
Non-current liabilities	27	0	0	0	0
Current liabilities	23,568	38,509	26,984	24,422	17,778
Cash flows from operating activities	82,080	43,985	45,009	31,274	27,655
Cash flows from investing activities	-67	605,161	-127	0	-100,000
Hereof investment in property, plant and equipment	-80	-39	-127	0	0
Cash flows from financing activities	-82,475	-649,589	-45,316	-32,648	64,866
<b>Total cash flows</b>	<b>-461</b>	<b>-443</b>	<b>-434</b>	<b>-1,374</b>	<b>-7,479</b>
<b>Financial ratios</b>					
Operating margin	54.3%	51.0%	58.7%	53.0%	43.1%
Return on invested capital	13.5%	8.9%	15.7%	14.4%	12.3%
Equity ratio (solidity)	85.4%	95.2%	92.2%	91.2%	93.2%
Return on equity	16.7%	82.8%	13.9%	12.8%	11.2%
<b>Average number of full-time employees</b>	<b>76</b>	<b>72</b>	<b>63</b>	<b>79</b>	<b>80</b>



## **Management's review**

### **Operating view**

#### **Principal activities of the Company**

The Company's principal activity is the sale of fuel and provision of fuel related services including management, construction, operation and maintenance of fuel facilities. The Company primarily operates in expeditionary environments, including areas exposed to war and natural disaster.

### **Development in activities and financial matters**

#### **Income statement**

The Company has had a positive and satisfactory development during 2019. The increase in revenue from USD 100 million in 2018 to USD 120 million in 2019 is mainly driven by the increase in volume delivered.

Profit from operation amounts to USD 65 million compared to USD 51 million in 2018. Profit from operation is slightly above the original outlook for 2019.

Profit before tax is USD 96 million, which is impacted by interest received in 2019 related to the sale of the shares in the subsidiary Nordic Camp Supply B.V. in 2018.

The financial result for the year is considered very satisfactory.

#### **Balance sheet and financial resources**

During the year the total assets have decreased from USD 801 million to USD 162 million and equity amounts to USD 138 million as of 31 December 2019 (85% of total assets) compared to USD 736 million as of 31 December 2018 (95% of total assets).

Management considers the Company to be in a very strong financial position and has sufficient financial resources to realize its plans and expected activities in 2020.

#### **Outlook and events after the balance sheet date**

Management expects the level of activity and earnings for 2020 to be lower than in 2019 mainly because of the expected reduced military footprint in Afghanistan. The military footprint in Afghanistan is under continuous review and discussion at political levels and the outcome can have a significant adverse impact on the activity of the Company.

#### **Intellectual capital**

It is important for the Company's continued growth and development to be able to attract and retain highly-educated and experienced employees, including employees specialized in logistics and fuel operations in expeditionary environments. This necessitates a high competence level, and the Company commits the necessary resources for ensuring the continued development and retention of its employees.

#### **Quality Management**

Nordic Camp Supply has a persistent focus on delivering fuel and the related services of the highest quality. The fuel is tested continuously through the supply chain following a pre-defined testing

## **Management's review**

regime, which is described in detail in the Company's Quality Management system. This includes testing at own laboratory. Similarly, procedures which are the basis for the Company's services are detailed in the Quality Management system. The Quality Management system is certified according to International Standard ISO9001:2015 and NCS holds an ISO 17025 certification for its laboratories.

### **Risk factors**

The Company's activities primarily relate to the sale of fuel and related services in expeditionary environments, such that geo-political developments can have a significant impact on the Company.

### **Afghan business environment**

The Islamic Republic of Afghanistan has been experiencing significant political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in Afghanistan involve risks that typically do not exist in other markets. These financial statements reflect management's assessment of the impact of this risk on the Company. The future business environment may differ from management's assessment.

### **Price risks**

The Company has entered into long-term sales contracts that has price formulas which largely mirrors those in the purchase agreements, thus providing a natural hedge against movements in the world market prices for oil-products. Management will continue to evaluate the price risks in the context of market volatility and assess the hedging policy.

### **Currency risks**

The vast majority of the Company's sales and purchases are denominated and settled in USD. Consequently, the Company is not exposed to any material currency risks.

### **Interest rate risks**

The Company does not have significant interest-bearing debt and, consequently, changes in the interest level will not have a significant impact on earnings.

### **Credit risks**

The majority of the Company's customers are independent nations. Based on this and the contractual conditions the credit risk is determined to be at a very low level.

### **Environmental issues**

The environmental laws of the markets in which the Company operates are often unclear and subject to interpretation and frequent change. The Company believes that it is in compliance with applicable laws and regulations at all times and strives to reduce the environmental impact of its business.

Please refer to the Corporate Social Responsibility section below.

### **Branches and subsidiaries abroad**

The Company has a registered branch in Afghanistan and holds the necessary permissions, registrations and licenses required to carry out the activities in the country.

## **Management's review**

### **Corporate Social Responsibility**

NCS primarily operates in expeditionary environments, including areas exposed to war and natural disaster. While these operating environments are often characterized by limited and sometimes conflicting legislation, NCS operates under strict contractual demands from customers. NCS strives to meet western working standards for our staff and to embrace best practices in our co-operation with local sub-contractors and suppliers.

NCS' approach has always been embedded in our code of conduct and in our operational policies and procedures. In previous years, NCS has obtained both ISO 14001 Environmental Management and ISO 45001 (Occupational Health and Safety Management System) 3rd party certifications. NCS also holds a ISO 37001 certification for Anti-bribery, which management see as a strategic advantage in the environment in which NCS primarily operates, and a testament to the Company's continued focus on best in class practices and procedures.

In 2019 NCS has maintained all accreditations

### **CSR Policy**

The 2019 CSR policy covers all aspects of NCS operations and can be divided into the following categories:

- Legislation and regulations
- Occupational Health and safety
- Environment
- Code of conduct and business ethics
- Gender diversity

Material human rights issues are embedded in the code of conduct and reflected throughout the Company's operating procedures as reflected in the Business Management System. NCS strongly believe that companies can play a positive role in the communities we operate. This can be accomplished, in part, by taking seriously the responsibility to respect human rights. At NCS, our commitment to upholding human rights in all of our operations means we do business in a way that respects the rights of individuals and preserves their dignity, as well as adhering to applicable laws and regulations. We also seek business partners that observe and follow standards similar to ours. To this end, we will not tolerate—or conduct business with companies that we know tolerate—human rights abuses, including child labour, forced labour and human trafficking.

NCS has not encountered any breach of the above in 2019.

### **Implementation and results**

NCS has maintained all accreditations in 2019 through several ISO audits.

All in all, NCS Management is very pleased with the development in 2019 and looks forward to continuing the constructive work with obtaining and maintaining – best in class ISO accreditation – for its operation. This will further strengthen NCS' reputation as a trustworthy and responsible company and business partner to its customers despite the challenging conditions in which we operate.

## **Management's review**

### **Legislation and regulations**

As a subsidiary of World Fuel Services Corporation, based in Miami, Florida, USA and listed on the New York Stock Exchange, the Company is required to comply with the laws and regulations of the U.S. government and various international jurisdictions.

These regulations place restrictions on the Company's operations, trade practices, partners and investment decisions. In particular, the Company is subject to U.S. and foreign anti-corruption laws and regulations, such as the Foreign Corrupt Practices Act ("FCPA"), and economic sanction programs administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"). The FCPA prohibits the Company from providing anything of value to foreign officials for the purposes of influencing official decisions or obtaining or retaining business. As part of the business, the Company regularly deals with state-owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA. In addition, some of the international locations in which the Company operates lack a developed legal system and have elevated levels of corruption. Economic sanctions programs restrict our business dealings with certain countries and individuals.

Management has established policies and procedures designed to assist the Company and its personnel to comply with applicable U.S. and international laws and regulations. These policies include ongoing training of personnel and an extensive set of rules and pre-approvals for all dealings with governmental officials, all of which are subject to independent internal audit. Additionally, there is a process of prior vetting of all suppliers and business partners by a specialized team at the parent Group level independent of the Company's management. Furthermore, the Company's suppliers are required to acknowledge and adhere to the Companies policies for anti-corruption.

### **Occupational health and safety**

Occupational Health and Safety (OHS) for all employees has Management's top priority and current procedures for OHS are certified to ISO 45001 and are furthermore integrated into the ISO 9001 certified Quality Assurance System.

Acknowledging the often challenging surroundings in which NCS operates, NCS continuously evaluates the working environments and security levels to reduce the risk in the operation to an acceptable level.

Overall responsibility for OHS lies with the senior management. Dedicated resources are allocated to the Sr. Accreditation Manager (assigned as Management Representative). The NCS Training Coordinator handles the daily OHS functions in theatre:

- Conduct OHS training, mandatory for all employees
- Risk assessments on new procedures/tasks
- Coordinate and advise on OHS issues
- Coordinate and implement the continued compliance with current H&S regulations throughout all NCS operations
- Ensure compliance with current H&S regulations

## **Management's review**

- Coordinate and carry out inspections and audits in accordance with relevant ISO instructions at all locations on H&S, Environmental and Fire matters
- Coordinate and ensure Risk Assessments and associated H&S documentation are in order
- Reporting of incidents
- Reporting of OHS statistics
- Responsible for OHS PPE; gloves, shoes, goggles etc.

Direct management on-site is responsible for ensuring that operations follow the procedures and is required to stop the work if health and safety are threatened. Deliberately not adhering to OHS procedures is considered reason for fair dismissal. Senior Management is responsible for follow up on reports and taking appropriate action in the event of insufficient corrective or preventive actions.

## **Environment**

Environmental impact is of high importance to NCS and NCS Environmental Management is accredited after ISO 14001 and is integrated into our ISO 9001 certified Quality Assurance System.

Environmental responsibility is embedded within the management structure of all operations. Overall responsibility lies with the senior management, and site-specific responsibility lies with Site Managers. Dedicated resources are allocated to the Sr. Accreditation Manager (assigned as Management Representative) and the Training Coordinator, who has Environmental risk management as a primary position objective. The NCS Training Coordinator handles the following:

- Conduct Environmental Training, mandatory for all employees
- Coordinate and advise on Environmental issue
- Coordinate and ensure Environmental Assessments
- Reporting of incidents

In our operations we strive to meet international standards for environmental handling of fuel facilities operated by the Company. External storage providers must adhere to national statutory requirements and contractual requirements imposed as part of the initial environmental assessment. This environmental assessment is part of NCS' mandatory storage assessment, and must be passed with acceptable results prior to contracting for any external storage.

## **Code of conduct and business ethics**

The NCS code of conduct is the foundation of everything we do and Management pays great attention to ensuring that all new employees receive training in the NCS code of conduct immediately upon accepting employment with NCS. Further, Management has ensured that all employees have easy access to a copy of the code of conduct, either through the NCS intranet or through poster and information circulators made available at all worksites.

## Management's review

### Achievement and progress

The progress of CSR initiative can be summarized as follows:

Area	Description	Target	Achievement
Legislation and regulation	All employees to receive and pass annual training program	100%	100%
Legislation and regulation	Numbers of FCPA violations	0 occurrence	0 occurrence
Health and Safety	Total sick days	< 2%	1.35%
Health and Safety	Lost time work related	< 2%	0.005%
Health and Safety	LTIFR*	<1.00	0.87
Environmental	Minimize number of spills on fuel facilities	10 per 10,000 handlings	0.4
Code of Conduct and Business Ethics	All new employees given introduction training	100%	100%

\* Measured as number of work related incidents with absence above 1 day per 100.000 working hours

### Statutory statement regarding the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act

#### Supreme management level

The supreme management level of the Company is the Supervisory Board which currently consists of Mr Michael Joseph Crosby, Mr Richard Donald McMichael and Mrs Ruth Giansante. Therefore the gender diversity has been restored in the supreme management level during 2019.

#### Additional management levels

As stated above the Danish Companies Act section 139 a, paragraph 2 requires that the Company implement a policy to favorably treat employees based on gender, in order to promote the underrepresented gender in the additional management levels.

In general The Company does not employ, promote or dismiss employees based on their ethical origin, religion, political views, sexual orientation, age or gender but alone focus on the skill set of the individual. To ensure equal rights and opportunities, the Company ensures that:

- No discrimination exists in the job descriptions when posting open job opportunities within the Company;
- All employees are put through the same training and education when joining the Company;
- All employees are offered the same courses and personal development plans during their employment in accordance with their job requirements and competences; and
- All employees on the same level participate equally in the annual performance evaluation and bonus program.

The Company does, however, acknowledge the strength of diversity among its employees and is working on enhancing the number of female leaders within the additional management levels. The

## **Management's review**

company has established a goal that 12,5% of the additional management levels should be female before the end of 2022 (currently 0%).

In 2019 we continued our efforts to ensure fulfilment of these goals through focusing on mentoring internal female candidates. As part of this program, the female employees are offered the opportunity to experience all the elements and location of operation to increase and strengthen their understanding of the environment of operation. Management has received positive feed back from the participant of the program.

When employing and recruiting for management position it is our goal to have both male and female candidates despite the circumstance that the Company operates in expeditionary environments which traditionally is very male dominated. When considering two equally qualified candidates the desire for diversity will prevail.

All in all, the Company view the established goals for the additional management levels as very ambitious but realistic.

## **Financial Statements 2019**

### **Accounting policies**

The annual report of Nordic Camp Supply ApS for 2019 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies are consistent with those of last year.

### **Foreign currency translation**

The Company's functional currency is USD. Transactions in currencies other than the functional currency are transactions in foreign currencies. On initial recognition, transactions in foreign currencies are converted to the exchange rates at the transaction date. Exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date.

### **Recognition and measurement**

The financial statements have been prepared under the historical cost method.

Income is recognized in the income statement as earned and all expenses incurred in achieving the earnings for the year are recognized in the income statement, including depreciation, amortisation, impairment losses and provisions.

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

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will be deducted from 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 amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments and with 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.

According to the Danish Financial Statement Act the Company can inform that exchanges rates between the Danish Kroner and 100 American dollars was 667.59 as of 31 December 2019 and 651.94 as of 31 December 2018.



## **Financial Statements 2019**

### **Accounting policies**

#### **Income statement**

##### **Revenue from sale of goods and services**

Revenue from the sale of goods and services is revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

##### **Cost of goods sold**

Costs of goods sold includes all cost incurred in obtaining the revenue for the period, including cost of products, transportation, storage etc.

##### **Other operating income**

Other operating income comprises items secondary to the activities of the Company, including gains on disposal of tangible assets and property, plant and equipment.

##### **Other external costs**

Other external costs comprise costs of administration, storage, housing etc.

##### **Personnel expenses**

Personnel expenses comprise costs of wages and salaries, social security costs, pensions etc.

##### **Financial income and expenses**

Financial income and expenses comprise interest income and expense from banks as well as gains and losses on payables and transactions denominated in foreign currencies. Financial income and expenses are recognized in the income statement by the amounts attributable to the financial period.

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

Nordic Camp Supply ApS is covered by the Danish rules on compulsory joint taxation of group companies and takes part in the joint taxation with other World Fuel Services Corporation' subsidiaries based in Denmark.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carry forwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax and changes in deferred tax for the period. The tax expense relating to the profit/loss for the period is recognized in the income statement, and the tax expense relating to amounts directly recognized in equity is recognized directly in equity.

## Financial Statements 2019

### Accounting policies

#### Balance sheet

##### Fixed assets

Fixed assets are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for its intended use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Land and buildings	1-5 years
Fixtures and fittings	1-5 years

Gains and losses on the disposal of fixed assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognized in the income statement as Other operating income or Other operating costs, respectively.

##### Investments in subsidiaries

Investments in subsidiaries are measured at initial cost price.

##### Impairment of non-current assets

The carrying amount of tangible assets as well as investments in subsidiaries are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortization.

Impairment tests are conducted for individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realizable value is lower than cost, inventories are written down to this lower value.

Prepayments to suppliers are included in the value of inventories.

##### Receivables

Receivables are measured at amortized cost.

## **Financial Statements 2019**

### **Accounting policies**

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made based on an individual assessment.

#### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

#### **Equity**

##### **Dividends**

Proposed dividends are recognized as a liability at the date when it is adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### **Corporation tax and deferred tax**

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognized in the balance sheet.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

#### **Liabilities**

Liabilities are measured at amortized cost.

#### **Cash flow statement**

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

##### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the Company's share of the profit/loss for non-cash operating items, changes in working capital and corporation tax paid.

## Financial Statements 2019

### Accounting policies

#### Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of property, plant and equipment.

#### Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of long term interest-bearing debt, changes in intercompany accounts with group companies and payment of dividends to shareholders.

#### Cash and cash equivalents

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

#### Segment information

The Company solely operates in one business segment and in one geographical market.

#### Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit} \times 100}{\text{Average total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$

## Financial Statements

### Income statement, 1 January – 31 December

USD'000

	Note	2019	2018
<b>Net revenue</b>		<b>119,714</b>	<b>99,555</b>
Cost of sales		-41,436	-34,561
Other external cost	1	-11,941	-13,027
Other operating income		4,018	3,202
<b>Gross profit</b>		<b>70,355</b>	<b>55,169</b>
Personnel expenses	2	-5,338	-4,375
<b>Operating profit</b>		<b>65,017</b>	<b>50,794</b>
Profit from shares		0	400,111
Financial income	3	31,143	8,134
Financial expenses	3	-339	-368
<b>Profit before tax</b>		<b>95,821</b>	<b>458,671</b>
Tax on profit	4	-20,538	-12,225
<b>Profit for the year</b>		<b>75,283</b>	<b>446,446</b>

## Financial Statement

### Balance sheet

USD'000

	Note	31-Dec-19	31-Dec-18
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>	5		
Land and buildings		0	0
Fixtures and fittings		163	137
		<u>163</u>	<u>137</u>
<b>Investments</b>			
Investments in subsidiaries	6	0	0
<b>Total non-current assets</b>		<u>163</u>	<u>137</u>
<b>Current assets</b>			
<b>Inventories</b>			
Goods for resale		8,908	9,985
Prepayments		39	29
		<u>8,947</u>	<u>10,014</u>
<b>Receivables</b>			
Trade receivables		5,365	4,150
Receivables from group companies		146,793	786,144
Other receivables		57	43
Prepayments		54	54
Deferred tax asset		0	7
		<u>152,269</u>	<u>790,398</u>
<b>Cash at bank and in hand</b>		<u>203</u>	<u>664</u>
<b>Total current assets</b>		<u>161,419</u>	<u>801,076</u>
<b>TOTAL ASSETS</b>		<u>161,582</u>	<u>801,213</u>

## Financial Statement

USD'000	Note	31-Dec-19	31-Dec-18
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	7		
Share capital		37	37
Retained earnings		137,950	762,667
<b>Total equity</b>		<b>137,987</b>	<b>762,704</b>
Deferred tax		28	0
<b>Current liabilities</b>			
Trade payables		1,201	3,129
Amounts owed to group enterprises		0	21,826
Joint taxation contribution		20,486	11,836
Other payables		1,880	1,718
<b>Total liabilities</b>		<b>23,567</b>	<b>38,509</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>161,582</b>	<b>801,213</b>
<b>Contingent liabilities</b>	10		
<b>Related party disclosures</b>	11		

## Financial Statement Statement of Changes in Equity

USD'000

	Share Capital	Retained earnings	Total
<b>Equity at 1 January 2018</b>	37	316,221	316,258
Profit for the year	0	446,446	446,446
<b>Equity at 31 December 2018</b>	<b>37</b>	<b>762,667</b>	<b>762,704</b>

	Share Capital	Retained earnings	Total
<b>Equity at 1 January 2019</b>	37	762,667	762,704
Dividend	0	-700,000	-700,00
Profit for the year	0	75,283	75,283
<b>Equity at 31 December 2019</b>	<b>37</b>	<b>137,950</b>	<b>137,987</b>



## Financial Statement

### Cash flow statement

USD'000	Note	2019	2018
Operating profit		65,017	50,794
Adjustments		42	27
Cash generated from operations (operating activities) before changes in working capital		65,059	50,821
Changes in working capital	9	-1,930	-2,090
Cash generated from operations (operating activities)		63,129	48,731
Interest received		31,143	8,134
Interest paid		-339	-368
Cash generated from operations		93,933	56,497
Corporation tax paid		-11,853	-12,512
<b>Cash flows from operating activities</b>		<b>82,080</b>	<b>43,985</b>
Purchase of fixtures and fittings		-80	-39
Sale fixed assets		13	0
Sale of shares in subsidiary		0	605,200
<b>Cash flows from investing activities</b>		<b>-67</b>	<b>605,161</b>
Dividend distribution		-700,000	0
Change in loan to / from group companies		617,525	-649,589
<b>Cash flows from financing activities</b>		<b>-82,475</b>	<b>-649,589</b>
<b>Cash flows for the year</b>		<b>-461</b>	<b>-443</b>
Cash and cash equivalents at 1 January		664	1,107
<b>Cash and cash equivalents at 31 December</b>		<b>203</b>	<b>664</b>

## Financial Statements

### Notes to the financial statements

USD'000		2019	2018
<b>1</b>	<b>Fees to auditors appointed at the annual general meeting</b>		
	Fee regarding statutory audit	20	28
		<u>20</u>	<u>28</u>
<b>2</b>	<b>Personnel expenses</b>		
	Wages and salaries	4,510	3,722
	Pensions	195	184
	Social security costs	18	15
	Other staff costs	615	454
		<u>5,338</u>	<u>4,375</u>
	Average number of full-time employees	<u>76</u>	<u>72</u>
	Remuneration of the executive board amount to USD 1,754 thousand and pensions amount to USD 26 thousand and is included in personnel expenses (prior year: USD 1,126 thousand and USD 24 thousand).		
<b>3</b>	<b>Financial income and expenses</b>		
	<b>Financial income</b>		
	Affiliated companies	29,320	7,530
	Other	1,823	604
		<u>31,143</u>	<u>8,134</u>
	<b>Financial expenses</b>		
	Other	339	368
		<u>339</u>	<u>368</u>
<b>4</b>	<b>Tax on profit</b>		
	Current tax for the year	20,503	12,215
	Adjustment of deferred tax for the year	35	10
		<u>20,528</u>	<u>12,225</u>

## Financial Statements

### Notes to financial statements

USD'000

#### 5 Fixed assets

	Land and buildings	Fixtures and fittings, other plant, etc.	Total
Cost as at 1 January	43	234	277
Additions	0	80	80
Disposals	0	-12	-12
Cost as at 31 December	43	302	345
Depreciation and impairment as at 1 January	43	97	140
Depreciation	0	42	42
Depreciation and impairment as at 31 December	43	139	182
<b>Carrying value as at 31 December</b>	<b>0</b>	<b>163</b>	<b>163</b>
Depreciated over	1-5 years	1-5 years	

#### 6 Investments in subsidiaries

	2019	2018
Cost price opening balance	0	205,089
Sale	0	-205,089
<b>Cost price closing balance</b>	<b>0</b>	<b>0</b>

#### Company:

- Nordic Camp Supply B.V, Rotterdam, ownership 0% (2018: 0%)

## Financial Statements

### Notes to financial statements

#### 7 Equity

The share capital consists of 1 share of DKK 200,000 and 1 share of DKK 10,000 equalling 210.000 DKK. All shares rank equally.

Change in share capital	2019	2018	2017	2016	2015
<b>Shares opening</b>	37	37	37	37	37
Capital increase	0	0	0	0	0
<b>Shares closing</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>

#### 8 Profit appropriation

	2019	2018
Retained earnings	75,283	446,446
	<b>75,283</b>	<b>446,446</b>

#### 9 Changes in working capital

	2019	2018
Changes in inventories	1,067	-1,136
Changes in receivables	-1,228	-711
Changes in trade payable and other payables	-1,769	-243
	<b>-1,930</b>	<b>-2,090</b>

#### 10 Contingent liabilities

The Company has entered into a lease agreement for office space located Strømmen 6, Nørresundby with RTX Telecom A/S. The termination of the lease is subject to normal market terms equal to USD 17 thousand in remaining payments.

The Company is involved in some disputes. It is management's expectation that these will not result in material outflow of economic resources from the Company.

The Company participates in the loan agreement by and among the Company's ultimate parent, World Fuel Services Corporation, and certain of its subsidiaries, as borrowers, Bank of America, N.A., as administrative agent, and the financial institutions named therein as lenders (the "Credit Agreement"). The Company is a guarantor for two of the borrowers under the Credit Agreement, World Fuel Services Europe Ltd. and World Fuel Services Singapore PTE Ltd. (collectively, the "Foreign Borrowers"). The guarantee is limited to the retained earnings of the Company which is approximately USD 137,950,000 as of 31 December 2019. As of 31 December 2019, the outstanding amounts owed by the Foreign Borrowers were 44,437,500 USD under the Credit Agreement.

The company takes part of the joint taxation with WFS group's other Danish entities. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes

## **Financial Statements**

### **Notes to financial statements**

and withholding taxes on dividends, interest and royalties. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may affect the Group.

#### **11 Related party disclosures**

**Nordic Camp Supply ApS' related parties comprise the following:**

##### **Parties exercising control:**

WFS Danish Holding Company I ApS, Køge, Denmark, own 100% of the shares. The ultimate parent Company is World Fuel Services Corporation, Miami ([www.WFSCORP.com](http://www.WFSCORP.com)).

##### **Other related parties:**

Other related parties include directors and members of the board and other entities in the World Fuel Services group.

#### **12 Events after the balance date**

Subsequent to year-end 2019, COVID-19 has grown to a pandemic disease and we have seen macro-economic uncertainty which causes disruption to economic activity. The Company considers this outbreak to be a non-adjusting post balance sheet event. As the situation is fluid and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company. The Company will assess the impact on the operations in 2020.