

**Maersk Oil Trading
Lubricants A/S**
Esplanaden 50
1263 Copenhagen K
Central Business Registration No
32345786

Annual report 2018

The Annual General Meeting adopted the annual report on 31.05.2019

Chairman of the General Meeting

Name: Anne Pindborg

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	7
Balance sheet at 31.12.2018	8
Statement of changes in equity for 2018	10
Notes	11
Accounting policies	12

Entity details

Entity

Maersk Oil Trading Lubricants A/S
Esplanaden 50
1263 Copenhagen K

Central Business Registration No: 32345786

Founded: 04.12.2013

Registered in: Copenhagen

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Niels Henrik Ramshart Lindegaard, Chairman

Michael Villi Møller

Tommy Thomassen

Executive Board

Charlotte Spanggaard, Managing Director

Entity auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Maersk Oil Trading Lubricants A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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

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

Copenhagen, 31.05.2019

Executive Board

Charlotte Spanggaard
Managing Director

Board of Directors

Niels Henrik Ramshart
Lindegaard
Chairman

Michael Villi Møller

Tommy Thomassen

Independent auditor's report

To the shareholders of Maersk Oil Trading Lubricants A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Oil Trading Lubricants A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity 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 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

Independent auditor's report

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 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 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.

Independent auditor's report

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.

Hellerup, 31.05.2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden
State Authorised Public Accountant
mne32209

Thomas Lauritsen
State Authorised Public Accountant
mne34342

Management Review

Primary activities

Maersk Oil Trading Lubricants A/S' main activity is sourcing of marine lubrication oil for the fleet of A.P. Møller – Mærsk Group companies. The main part of the transactions are done through an agency setup, minimizing the risk in which Maersk Oil Trading Lubricants A/S is involved.

Development in activities and finances

The result of the year ended with a profit of 1,302 thousand USD, this is an increase of 591 thousand USD compared to last year. The increase in profit is mainly driven by an increased gross profit and a decrease in staff cost.

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 2018

	<u>Notes</u>	<u>2018 USD'000</u>	<u>2017 USD'000</u>
Gross profit		1,504	1,015
Other financial income		55	26
Other financial expenses		<u>(3)</u>	<u>(4)</u>
Profit/loss before tax		1,556	1,037
Tax on profit/loss for the year	2	<u>(254)</u>	<u>(326)</u>
Profit/loss for the year		<u>1,302</u>	<u>711</u>
Proposed distribution of profit/loss			
Retained earnings		<u>1,302</u>	<u>711</u>
		<u>1,302</u>	<u>711</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 USD'000</u>	<u>2017 USD'000</u>
Trade receivables		0	251
Receivables from group enterprises		7,096	4,617
Other receivables		1	30
Prepayments		13	0
Receivables		<u>7,110</u>	<u>4,898</u>
Current assets		<u>7,110</u>	<u>4,898</u>
Assets		<u>7,110</u>	<u>4,898</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 USD'000</u>	<u>2017 USD'000</u>
Contributed capital		100	100
Retained earnings		4,777	3,475
Equity		4,877	3,575
Trade payables		1,620	25
Payables to group enterprises		199	1,029
Income tax payable		350	228
Other payables		64	41
Current liabilities other than provisions		2,233	1,323
Liabilities other than provisions		2,233	1,323
Equity and liabilities		7,110	4,898
Staff costs	1		
Contingent liabilities	3		
Related parties with controlling interest	4		

Statement of changes in equity for 2018

	Contributed capital USD'000	Retained earnings USD'000	Total USD'000
Equity beginning of year	100	3,475	3,575
Profit/loss for the year	0	1,302	1,302
Equity end of year	100	4,777	4,877

Notes

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Average number of employees	<u>1</u>	<u>1</u>

There has been no remuneration costs in 2018 and 2017.

	<u>2018</u>	<u>2017</u>
	<u>USD'000</u>	<u>USD'000</u>
2. Tax on profit/loss for the year		
Tax on current year taxable income	342	228
Adjustment concerning previous years	<u>(88)</u>	<u>98</u>
	<u>254</u>	<u>326</u>

3. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which A.P. Møller Holding A/S 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. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

4. Related parties with controlling interest

Related parties with controlling interest:

Majority shareholder: Maersk Oil Trading and Investments A/S, Esplanaden 50, 1263 Copenhagen K, Denmark.

Other related parties:

Companies affiliated with A.P. Møller – Mærsk A/S and A.P. Møller Holding A/S.

The Company's related parties include members of the Board of Directors, Management and the key executives, as well as the related family members of these persons. Related parties also include companies in which the above-mentioned persons have significant interest.

Consolidated annual accounts:

The Company is included in the consolidated financial statements for A.P. Møller – Mærsk A/S, Esplanaden 50, 1263 Copenhagen K, Denmark.

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 certain provisions for reporting class C.

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

The entity's functional currency is USD. All amounts in this report are in thousand USD. The exchange rate of USD to DKK was 6.521 at 31 December 2018 (2017: 6.602).

Correction of comparative figures

In 2018 there has been a reclassification of costs. Consequently, comparative figures have been restated. The reclassification have not affected the result for the year or the equity in 2018 or 2017.

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.

Income statement

Gross profit or loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Accounting policies

Revenue

Revenue is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed price.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Other financial income

Other financial income comprises interest income and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses.

Tax on profit/loss for the year

The Company is part of A.P. Møller – Mærsk A/S joint taxation. The actual Danish company tax is allocated at settlement between the companies being part of the joint taxation in accordance with their taxable income.

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.

Balance sheet

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other financial liabilities

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

Income tax receivable or payable

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