
Maersk Oil Trading Lubricants A/S

Esplanaden 50, 1263 Copenhagen K
Denmark

Annual Report For 1 January - 31 December 2019

Business registration no.

32 34 57 86

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
18 May 2020

Anne Pindborg
Chairman of the General
Meeting

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Company Information

The Company

Maersk Oil Trading Lubricants A/S
Esplanaden 50
DK-1263 København K
Denmark

Business registration no.: 32 34 57 86
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Henrik Larsen, Chairman
Tommy Thomassen
Brian Voldsgaard Jensen
Michael Villi Møller

Executive Board

Charlotte Spanggaard, Managing Director

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Directors' Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Maersk Oil Trading Lubricants A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 18 May 2020

Executive Board

Charlotte Spanggaard
Managing Director

Board of Directors

Henrik Larsen
Chairman

Tommy Thomassen

Brian Voldsgaard Jensen

Michael Villi Møller

Independent Auditor's Report

To the Shareholder 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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.

Responsibilities of Management and Directors 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 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.

The Directors' responsibilities include overseeing the Company's financial reporting.

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.

Independent Auditor's Report

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 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.

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.

Independent Auditor's Report

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

Hellerup, 18 May 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No. 33 77 12 31

Martin Lunden
State authorized public accountant
mne32209

Henrik Dich
State authorized public accountant
mne42826

Management's Review

Financial Statements of Maersk Oil Trading Lubricants A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

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

Development in the year

The income statement of the Company for 2019 shows a profit of USD 1.448K and at 31 December 2019 the balance sheet of the Company shows equity of USD 6.325K.

Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), and therefore will not have any effect on the Financial Statements for 2019 (a non-adjusting event).

At this time, it is not possible to provide a reliable estimate of the impact for 2020. However, Management considers that the COVID-19 outbreak will have limited impact on the Company's operations for 2020 and assesses that the financial resources available are adequate.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> USD'000	<u>2018</u> USD'000
Gross profit/loss		1.795	1.504
Financial income	2	97	55
Financial expenses	3	<u>-61</u>	<u>-3</u>
Profit/loss before tax		1.831	1.556
Tax on profit/loss for the year	4	<u>-383</u>	<u>-254</u>
Net profit/loss for the year		<u>1.448</u>	<u>1.302</u>

Distribution of profit/loss

Proposed distribution of profit/loss

Retained earnings		<u>1.448</u>	<u>1.302</u>
		<u>1.448</u>	<u>1.302</u>

Balance Sheet 31 December

	<u>Note</u>	<u>2019</u> USD'000	<u>2018</u> USD'000
Assets			
Trade receivables		43	0
Receivables from group enterprises		6.691	7.096
Other receivables		119	1
Prepayments		<u>1</u>	<u>13</u>
Receivables		<u>6.854</u>	<u>7.110</u>
Currents assets		<u>6.854</u>	<u>7.110</u>
Assets		<u>6.854</u>	<u>7.110</u>
Liabilities and Equity			
Share capital		96	96
Retained earnings		<u>6.229</u>	<u>4.781</u>
Equity		<u>6.325</u>	<u>4.877</u>
Trade payables		3	1.620
Payables to group enterprises		91	199
Corporation tax		403	350
Other payables		<u>32</u>	<u>64</u>
Current liabilities		<u>529</u>	<u>2.233</u>
Liabilities		<u>529</u>	<u>2.233</u>
Liabilities and Equity		<u>6.854</u>	<u>7.110</u>
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Statement of Changes in Equity

	<u>Share capital</u> USD'000	<u>Retained earnings</u> USD'000	<u>Total</u> USD'000
2018			
Equity 1 January	96	3.479	3.575
Net profit/loss for the year	<u>0</u>	<u>1.302</u>	<u>1.302</u>
Equity at 31 December	<u>96</u>	<u>4.781</u>	<u>4.877</u>
2019			
Equity at 1 January	96	4.781	4.877
Net profit/loss for the year	<u>0</u>	<u>1.448</u>	<u>1.448</u>
Equity at 31 December	<u>96</u>	<u>6.229</u>	<u>6.325</u>

Notes to the Financial Statements

1 Staff expenses

There has been no staff employed in the Company during 2019.

	<u>2019</u> USD'000	<u>2018</u> USD'000
2 Financial income		
Interest income	97	38
Other financial income	<u>0</u>	<u>17</u>
	<u>97</u>	<u>55</u>
3 Financial expenses		
Interest cost	6	0
Other financial cost	2	2
Net currency exchange gain/loss	<u>53</u>	<u>1</u>
	<u>61</u>	<u>3</u>
4 Tax on profit/loss for the year		
Current tax for the year	403	342
Adjustment to prior years	<u>-20</u>	<u>-88</u>
	<u>383</u>	<u>254</u>

Notes to the Financial Statements

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of A.P. Møller Holding A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

6 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 – Maersk 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 – Maersk A/S, Esplanaden 50, 1263 Copenhagen K, Denmark.

7 Accounting policies

The Annual Report of Maersk Oil Trading Lubricants A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Except for reclassifications in the balance sheet that have no monetary effect on profit or equity, the accounting policies applied remain unchanged compared to last year.

The Financial Statements for 2019 are presented in USD. The exchange rate of USD to DKK was 6.676 at 31 December 2019 (2018: 6.521)

Notes to the Financial Statements

7 Accounting policies (continued)

Recognition and measurement

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

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

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

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

Translation policies

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

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognized in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

7 Accounting Policies (continued)

Income Statement

Revenue

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and expenses for raw materials and consumables.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationary and office supplies, travel cost, etc.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

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

Notes to the Financial Statements

7 Accounting Policies (continued)

Current liabilities

Current liabilities are measured at amortized cost, which usually corresponds to nominal value

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme is recognized in the income statement in financial income and expenses.