

**Maersk Energy Marketing A/S**

**CVR-No. 33057695**

**Annual Report 2017**

Approved at the General Assembly: 11 May 2018  
Chairman of the meeting: Majbritt Perotti Carlson

Amerika Plads 29, st., 2100 Copenhagen Ø

## **Company information**

Maersk Energy Marketing A/S  
Amerika Plads 29, st.  
2100 Copenhagen Ø  
Denmark

CVR-No.: 33057695  
Date of incorporation: 05 July 2010  
Registered office: Copenhagen  
Financial year: 01 January 2017 - 31 December 2017

## **Board of Directors**

Emmanuelle Irene Genevieve Dusausoy (Chairman)  
Martin Rune Pedersen (Vice Chairman)  
Philippe Camille Ubaldo Joseph Chauvain  
Troels Albrechtsen

## **Executive Board**

Anne Heidi Jensen

## **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## **Directors' Report**

### **Activities**

The Company is a wholly owned subsidiary of Mærsk Olie og Gas A/S (name changed to Total E&P Danmark A/S, as per May 1<sup>st</sup> 2018).

Maersk Energy Marketing A/S (MEMAS) buys, owns, markets and sells hydrocarbons, emission rights and derivatives. In 2017, MEMAS traded derivatives in connection with the physical trading. MEMAS purchases Maersk's Danish entitlement gas on a producer's nomination contract and transports the gas to wholesale customers in Denmark, Germany and the Netherlands. Crude oil is marketed and sold to refineries in the region. Further, MEMAS purchases, markets and sells third party hydrocarbons.

### **Financial review**

#### Financial performance of the year

The result for 2017 shows sales revenue of USD 1,723 million and an after tax net profit of USD 35 million, which is higher than last year (2016: USD 18 million).

Key figures for the Company are as follows:

USD million	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
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#### **Income statement:**

Revenue	1,723	850	1,069	1,033	491
Profit before financial items and tax	43	23	27	57	49
Financial items, net	1	(1)	(1)	0	0
Profit for the year after tax	35	18	19	44	35

#### **Balance sheet:**

Total assets	241	301	233	318	143
Equity	26	181	164	144	100

#### Guidance for 2018

Due to volatility in the oil price, the estimated result for 2018 is uncertain but expected to be similar to 2017 less any one off windfalls in 2017. Following the acquisition of Maersk Oil by Total, the activities in MEMAS will continue, as per normal but with a large

involvement from Total and only one market facing team located in London for gas and Geneva for crude.

### **Change of parent company owner**

The share capital in Mærsk Olie og Gas A/S was acquired by Total S.A. from A.P. Møller – Mærsk A/S with effective date 8<sup>th</sup> March 2018. This does not affect the going concern of the Company.

As of the effective date the Company is no longer part of the A.P. Møller – Maersk Group joint taxation and is instead jointly taxed with the previous Maersk Oil Group companies and Danish registered Total Group companies. Joint liability for previous periods still exists.

### **Corporate Social Responsibility**

Social responsibility is important for Maersk Oil's business and MEMAS continues its activities in line with A.P. Møller - Mærsk A/S' Sustainability Strategy. For more information, reference is made to A.P. Møller - Mærsk A/S' sustainability report on the link:

[http://files.shareholder.com/downloads/ABEA-3GG91Y/6206204637x0x972428/F5554324-60AA-455A-A40B-084AB5A4B979/APMM\\_Sustainability\\_Report\\_2017\\_A3\\_180221\\_final.pdf](http://files.shareholder.com/downloads/ABEA-3GG91Y/6206204637x0x972428/F5554324-60AA-455A-A40B-084AB5A4B979/APMM_Sustainability_Report_2017_A3_180221_final.pdf)

#### Goals and policies for the underrepresented gender

The Board believes that its members should be elected on the basis of their combined qualifications and at the same time recognise the advantages of a Board comprising a wide range of backgrounds such as global experience, style, culture and gender.

As of 31 December 2017 there is 1 man among the 3 board members appointed at the general meeting. Consequently, the company's board is considered having equal representation of genders among the company's shareholder-appointed board members.

A.P. Møller - Mærsk A/S has adopted a group policy for the complete group with the aim to increase the share of the under-represented gender on the company's other management levels. In accordance with this policy the Company has taken steps to look into how the Company can attract qualified women to relevant management positions. In addition, this is a focus area when identifying candidates to key positions. A

description of the policy and reporting on the gender composition can be found in A.P. Møller - Mærsk A/S' sustainability report which is available on this link:

[http://files.shareholder.com/downloads/ABEA-3GG91Y/6206204637x0x972428/F5554324-60AA-455A-A40B-084AB5A4B979/APMM\\_Sustainability\\_Report\\_2017\\_A3\\_180221\\_final.pdf](http://files.shareholder.com/downloads/ABEA-3GG91Y/6206204637x0x972428/F5554324-60AA-455A-A40B-084AB5A4B979/APMM_Sustainability_Report_2017_A3_180221_final.pdf)

### **Risks and uncertainties**

MEMAS is subject to a variety of risks which derive from the nature of the oil and gas trading activities, and trading of oil derivatives related hereto.

MEMAS' strategic, operational, compliance, financial and emerging risks are monitored through a structured governance frame work and a mandate structure, which is communicated and approved on Maersk Oil and A.P. Møller - Mærsk group level.

## **Management's Statement**

The Board of Directors and Executive Board have today discussed and approved the annual report of Maersk Energy Marketing A/S for 2017.

The annual report for 2017 of Maersk Energy Marketing A/S has been prepared in accordance with Danish Financial Statements Act and in our opinion gives a true and fair view of the Company's assets, liabilities and the financial position at 31 December 2017 and of the results of the Company's operations for the financial year 2017.

In our opinion the Directors' Report includes a fair review of the development in and the result of the Company's operations and financial conditions, the result for the year and financial position as well as a description of the most significant risks and uncertainty factors that the Company faces.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 11 May 2018

Executive Board: \_\_\_\_\_

Anne Heidi Jensen

Board of Directors: \_\_\_\_\_

Emmanuelle Irene Genevieve

Dusausoy

(Chairman)

\_\_\_\_\_

Martin Rune Pedersen

(Vice Chairman)

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Philippe Camille Ubaldo

Joseph Chauvain

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Troels Albrechtsen

## **Independent auditors' report**

To the shareholder of Maersk Energy Marketing 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 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Energy Marketing A/S for the financial year 1 January - 31 December 2017, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes ("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 Directors' Report**

Management is responsible for Directors' Report.

Our opinion on the Financial Statements does not cover Directors' Report, 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 Directors' Report and, in doing so, consider whether Directors' Report 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 Directors' Report provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Directors' Report 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 Directors' Report.

## **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 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.

Hellerup, 11 May 2018

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Mads Melgaard

State Authorised Public Accountant  
mne34354

## **Accounting Policies**

The Annual Report for 2017 of Maersk Energy Marketing A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to large class C companies.

The accounting policies for the Financial Statements are unchanged from last year.

Maersk Energy Marketing A/S has with reference to the Danish Financial Statements Act § 86 section 4 refrained from preparing cash flow statement. With reference to provision 96, 3 of the Danish Financial Statements Act, fees for auditor elected by the general assembly are not published.

Presentation, classification and designations in the income statement and balance sheet have been adjusted to the special nature of the Company.

### Foreign Currency

The functional currency is USD. The Annual Report is presented in USD, in accordance with provision 16 of the Danish Financial Statements Act. The exchange rate of USD to DKK was 6.2067 at 31 December 2017 (2016: DKK 7.0550).

Monetary assets and liabilities in currencies other than USD are translated at the exchange rate at the balance sheet date. Transactions in currencies other than USD are translated at the exchange rate prevailing at the date of the transaction.

Exchange rate gains and losses are included in the income statement as financial income and expenses.

### Derivatives

Derivatives are recognised on the trading date and measured at fair value and included in other receivables (positive fair value) or other payables (negative fair value).

Derivatives classified as held for trading are recognised at fair value. Any change in fair value for oil price derivatives is recognised in the income statement under other income/costs.

## The Income Statement

**Revenue** comprises resale of gas, oil and emission rights.

**Other operating income** comprises gain on derivatives held for trading.

**Other operating costs** comprise loss on derivatives held for trading.

**Operating expenses** comprise purchase of gas, oil and utilisation of emission rights.

**Distribution costs** comprise transportation costs regarding gas.

**Administrative expenses** comprise parent company overhead and other general administrative costs.

**Financial items** comprise interest and currency exchange rate gains and losses from translation of cash, receivables and debt in foreign currencies other than USD.

The Company is jointly taxed with a number of Danish companies in the A.P. Møller - Mærsk Group. **Tax on profit** for the year includes the amount estimated to be paid for the year as well as adjustments regarding previous years and change in deferred tax.

**Provision for deferred tax** is made on temporary differences between the accounting and tax values of assets and liabilities. Deferred tax on temporary differences which at the time of the transaction does not affect the financial result or the taxable income is not recognised.

**Deferred tax assets** are only recognised to the extent that it is probable that they can be utilised against future taxable income.

## The Balance Sheet

**Long term deposit** relates to a cash deposit at a trading house in connection with the Company's oil derivatives trading. The deposit is measured at the lower of cost or recoverable amount.

**Inventories**, which comprise oil and emission rights, are measured at cost. Where the net realisable value is lower than cost, inventories are written down to this lower value.

**Receivables** are measured at nominal value which in all material respects corresponds to amortised cost. Write-down is made for anticipated losses on an individual basis.

Dividend for distribution regarding the financial year is included as part of the **equity**.

**Provisions** are recognised when the Company has an existing legal or actual obligation and includes deferred tax and provision for unsettled claims and lawsuits. Provisions are recognised on the basis of best estimates and considering discounting when the time element is significant.

**Debt to group, suppliers etc.** is measured at amortised cost price or lower net realisable value, which in most situations corresponds to the nominal value.

**MAERSK ENERGY MARKETING A/S**  
**INCOME STATEMENT**  
**FOR 2017**

Note	USD 1,000		
	<b>2017</b>	<b>2016</b>	
1.	Revenue	1,723,318	849,889
	Other operating income	54,953	55,171
	Other operating costs	56,180	75,281
		1,722,091	829,779
	Operating expenses	1,665,647	794,612
	Distribution expenses	7,048	7,842
	Gross profit	49,396	27,325
2.	Administrative expenses	6,053	4,006
	Profit before financial items and tax	43,343	23,319
3.	Financial income	7,658	2,833
4.	Financial expenses	6,343	3,808
	Profit before tax	44,658	22,344
5.	Tax on profit for the year	9,695	4,713
	<b>PROFIT FOR THE YEAR</b>	<b>34,962</b>	<b>17,631</b>
6.	Proposed distribution of net profit		

**MAERSK ENERGY MARKETING A/S**  
**BALANCE SHEET AT 31.12.2017**

Note	USD 1,000	
	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Financial assets		
7.	Long term deposit	22,184
	18,082	22,184
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>22,184</b>
CURRENT ASSETS		
Inventories		
	31,999	19,562
Receivables		
	157,272	87,022
	29,421	164,857
7.	Other receivables	7,477
	4,610	7,477
	<b>191,303</b>	<b>259,356</b>
	<b>TOTAL CURRENT ASSETS</b>	<b>278,918</b>
	<b>223,302</b>	<b>278,918</b>
	<b>TOTAL ASSETS</b>	<b>301,102</b>
	<b>241,384</b>	<b>301,102</b>

**MAERSK ENERGY MARKETING A/S**  
**BALANCE SHEET AT 31.12.2017**

Note	USD 1,000	
	<b>2017</b>	<b>2016</b>
<b>LIABILITIES AND EQUITY</b>		
EQUITY		
8.	Share capital	86
	Retained earnings	166,301
	Proposed dividend	15,000
	26,349	181,387
NON-CURRENT LIABILITIES		
9.	Other provisions	1,581
10.	Deferred tax	2,856
	1,799	4,437
CURRENT LIABILITIES		
	Trade payables	5,983
	Payables to group companies	74,221
	Tax payables	1,739
7.	Other payables	33,335
	213,236	115,278
	TOTAL LIABILITIES	119,715
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>301,102</b>
11.	Contingencies etc.	
12.	Related parties	

**MAERSK ENERGY MARKETING A/S**  
**STATEMENT OF CHANGES IN EQUITY AT 31.12.2017**  
**(USD 1,000)**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividends</u>	<u>Total</u>
Equity 01.01	86	166,301	15,000	181,387
Profit for the year	0	34,962	0	34,962
Dividend paid	0	0	(15,000)	(15,000)
Extraordinary dividend	0	(175,000)	0	(175,000)
<b>Equity 31.12</b>	<b>86</b>	<b>26,263</b>	<b>0</b>	<b>26,349</b>



## MAERSK ENERGY MARKETING A/S

Notes as at 31.12.2017

(USD 1,000)

USD 1,000

**2017**

### Note 1, Revenue

#### Segments (geographical)

Denmark	11,550
Other Northern Europe	1,390,140
Southern Europe	25,739
Asia	295,889
	<u>1,723,318</u>

### Note 2, Staff costs

The Company has no employees, as all those engaged are employed in other group companies.

With reference to provision 98b, 3 of the Danish Financial Statements Act, no Board of Directors' fee and Management remuneration is shown due to only one person receiving remuneration.

USD 1,000

**2017**

**2016**

### Note 3, Financial income

Interest received from Group companies	925	488
Exchange rate adjustments etc.	6,733	2,345
	<u>7,658</u>	<u>2,833</u>

### Note 4, Financial expenses

Interest paid to Group companies	0	7
Other interest	3	0
Exchange rate adjustments etc.	6,340	3,801
	<u>6,343</u>	<u>3,808</u>

### Note 5, Corporate tax

Tax expense on profit for the year, USD 10 million (2016: tax expense of USD 5 million) includes an adjustment of USD 499 thousands income in respect of 2016.

This Company is part of a joint taxation scheme with the A.P. Møller - Mærsk Group. The tax is divided between the members of the joint taxation scheme by use of the full allocation method.

**Note 6, Proposed distribution of net profits**

USD 1,000	<b>2017</b>	<b>2016</b>
Extraordinary dividend	175,000	0
Proposed dividend for distribution	0	15,000
Retained earnings	(140,038)	2,631
	<u>34,962</u>	<u>17,631</u>

**Note 7, Long term deposit and other payables (Derivatives)**

The extent and nature of the Company's long term deposits is stated in the income statement and balance sheet according to accounting policies.

Derivatives comprise of futures and swaps and are settled on a day to day basis at market prices. Fair value of open positions is primarily subject to change in respect of oil price changes and currency exchange rate changes.

USD 1,000	<b>2017</b>	<b>2016</b>
Non-current receivables	18,082	22,184
Current receivables	4,149	6,925
Current liabilities	13,099	18,212
Receivables/liabilities, net	<u>9,132</u>	<u>10,897</u>

The fair value of derivatives held at the balance sheet date can be allocated by type as follows:

Held for trading:		
Commodity hedges	9,132	10,897
	<u>9,132</u>	<u>10,897</u>

The gains/losses, including realized transactions, are recognized as follows:

Held for trading:		
Oil price derivatives	(1,230)	(20,110)
Net gains/-losses recognised in other income/costs	<u>(1,230)</u>	<u>(20,110)</u>

## Note 8, Share capital

Share capital consists of the following shares:	<u>Number</u>	<u>Nominal, DKK</u>
	500	1,000
	Total nominal value in DKK	<u>500,000</u>

There have been no changes to the share capital during the past five years.

## Note 9, Provisions

Provisions are recognised based on specific estimates and the amounts as well as timing of payments are subject to variations.

<b>Note 10, Deferred tax</b>	<u>2017</u>	<u>2016</u>
Deferred tax at 01.01	2,856	0
Deferred tax adjustment during the year	<u>(2,856)</u>	<u>2,856</u>
Deferred tax at 31.12	<u>0</u>	<u>2,856</u>

## Note 11, Contingencies

As of 31 December 2017, the Company is jointly taxed with Danish companies within the A.P. Møller - Mærsk Group. This entails unlimited joint liability for Danish corporation taxes and withholding taxes on dividends, interests and royalties within the jointly taxed companies. A similar obligation exists for joint registration of VAT.

The Company is part of ongoing disputes. The potential outcome is not estimated to have any significant impact on the financial position as at 31 December 2017.

## Note 12, Related parties

Companies in the A.P. Møller - Mærsk Group and the Executive board and board members of the Company are related parties. All transactions with related parties are carried out at arm's length.

## Parties exercising control

The Company is 100% owned by Mærsk Olie og Gas A/S. The consolidated Maersk Oil Financial Statements are available at the Company's address, Amerika Plads 29, st., 2100 Copenhagen Ø, Denmark.

As of 31 December 2017, the ultimate parent company is A.P. Møller Holding A/S. The consolidated Financial Statements of A.P. Møller Holding A/S are available at the company's address, Esplanaden 50, 1098 Copenhagen K, Denmark.

The Company is included in both consolidated Financial Statements as a subsidiary.