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**Baltic Petroleum K/S
Osterfaelled Torv 3
2100 Copenhagen**

**THE ANNUAL REPORT
The year 2019**

CVR-nr: 34 22 10 30

Approved at the General Meeting, the 18/8 2020

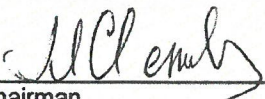

Chairman

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COMPANY INFORMATION

Company number: 34 22 10 30

Executive board: Maria Clerides

Audit Kvist Revision
Godkendt Revisionsvirksomhed
Glostrup Business Park
Naverland 34
DK 2600 Glostrup - Copenhagen

MANAGEMENT'S STATEMENT

The Annual Report has been prepared in conformity with the Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. December 2019 and of its financial performance for the period 1. January - 31. December 2019.

In my opinion the Management commentary includes a fair review of the matters described.

We recommend that the Annual Report be approved by the Annual General Meeting.

Copenhagen, ²⁷8 2020

Maria Clerides



INDEPENDENT AUDITOR'S REPORT

To the shareholders in **Baltic Petroleum K/S**

Auditor's report on the financial statements

Conclusion

We have audited the Financial Statements of Baltic Petroleum K/S for the period 1. January - 31. December 2019, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Financial Statements Act.

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 operations as well as the cash flows for the period 1. January - 31. December 2019 in accordance with the Financial Statements Act.

Basis for conclusion

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.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in conformity with the Danish Financial Statements Act. Management is also responsible for the internal control that it deems necessary for 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 responsible for auditing 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

INDEPENDENT AUDITOR'S REPORT

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 company 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 the Management's review

Management is responsible for the 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.

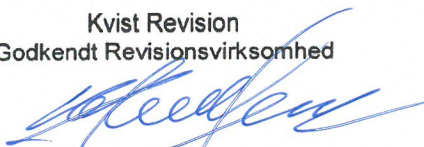
In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Financial Statements Act. We did not identify any material misstatements in the Management's review.

Copenhagen ²⁰¹⁸ 2020

Kvist Revision
Godkendt Revisionsvirksomhed



Carsten Kvist Jensen
Registered Public Accountant
Member of FSR – Danish Auditors
Auditors ID: MNE5614

MANAGEMENT COMMENTARY

Main activities of the Corporate

As in previous years, the main activities of the Company were trade.

The Company has continued its operations. No significant one-off events occurred in the financial year that need to be included in the management commentary.

The performance and results for the year are considered satisfactory.

Expected development, including special assumptions and uncertain factors

The company expects that the coming period will be smaller due to the societal impacts that are in 2020. At the end of the financial year, the company's capital resources are less than could be desired (TUSD 269).

Special business risks and financial risks likely to affect the Company

The company's most significant operational risk is linked to the company's ability to enter into purchase and sale contracts that will generate a satisfactory result.

As mentioned, the capital resources are less satisfactory, which is why the company will be affected by the development in the interest rate level. The same applies to foreign currency risks.

Corporate social responsibility statement

The company wants to act responsibly in relation to customers, employees, business partners and the outside world

ACCOUNTING POLICIES

GENERAL INFORMATION

The financial statements of Baltic Petroleum K/S for the financial year 2019 have been prepared in conformity with the provisions of the Financial Statements Act on large class C enterprises.

The accounting policies applied in the financial statements are consistent with those of the previous year. The reporting currency is USD.

Recognition and measurement in general

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

Income is recognised in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised in the income statement. Costs incurred to generate the earnings for the year are also recognised in the income statement, including amortisation, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Certain financial assets and liabilities are measured at amortised cost, whereby a constant effective interest rate is recognised over the life of the individual asset or liability. Amortised cost is determined as original cost less any repayments and with the addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is USD. All other currencies are considered foreign currencies.

INCOME STATEMENT

General information

Certain income and expenses have been aggregated in the item designated 'Gross profit' with reference to section 32 of the Financial Statements Act.

Gross profit

Gross profit is a combination of the items of 'Revenue', 'Change in inventories of finished goods, work in progress and goods for resale', 'Other operating income', 'Cost of raw materials and consumables' and 'Other external costs'.

Financial income and expenses

Financial income and expenses are recognised in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses on securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme. Dividends from other equity investments are recognised as income in the financial year in which the dividends are declared.

ACCOUNTING POLICIES

BALANCE SHEET

Investments

Other securities

Other securities in the form of securities admitted for trading on a regulated market are recognised at their closing price at the Copenhagen Stock Exchange on the reporting date.

Receivables

Receivables are measured at amortised cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Impairment of accounts receivable past due is established on individual assessment of receivables.

Prepayments

Prepayments recognised under assets include costs already defrayed but relating to the subsequent financial year.

Payables

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between proceeds and nominal value is recognised in the income statement over the life of the financial instrument(s).

Other payables, comprising trade payables and amounts owed to Group enterprises and associates and other accounts payable, are measured at amortised cost, which normally corresponds to the nominal value.

Deferred income

Where income that relates to subsequent years is received, the income is treated as deferred income.

Cash flow statement

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

Cash flow from operating activities

The cash flow relating to operating activities is determined by adjusting [profit/loss] for the year by the change in working capital and non-cash income statement items, such as amortisation, depreciation and impairment losses and provisions. Working capital is current assets less short-term payables (exclusive of items included in cash and cash equivalents).

Cash flow from financing activities

The cash flow relating to financing activities comprises cash flows arising from the raising and repayment of long-term payables and payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise the items of 'Cash' recognised under current assets and 'Bank overdrafts' recognised under short-term debt.

The cash flow statement cannot be derived directly from published accounting records.

FINANCIAL HIGHLIGHTS AND -RATIOS

	2019 USD	2018 TUSD
FINANCIAL AND OPERATING DATA		
Profit or loss from operating activities	11.576.636	24.134
Financial income and expenses, net	-634.384	-17.223
Profit or loss for the year	10.942.252	6.911
Balance sheet total	33.004.707	26.877
Equity	4.930.034	-6.981
CASH FLOWS		
- from operating activities	12.102.606	-13.607
- from investing activities	-4.351.711	0
- from financing activities	-14.323.542	20.330

FINANCIAL RATIOS IN PERCENTAGES

Gross margin ratio = 3,01

Operating margin (EBIT margin) = 3,02

Return on investment = 35,07

Equity ratio = 14,94

Explanation of financial ratios

Gross margin ratio = (Gross profit/loss x 100)/Sales

Operating margin (EBIT margin) = (Operating profit/loss (EBIT) x 100)/Sales

Return on investment = (Operating profit/loss (EBIT) x 100)/Total assets

Equity ratio = (Equity at end of period x 100)/Total assets

INCOME STATEMENT
1. JANUARY - 31. DECEMBER 2019

	2019 USD	2018 TUSD
GROSS PROFIT	11.576.636	29.262
Impairment of current assets	0	-5.128
OPERATING PROFIT OR LOSS.....	11.576.636	24.134
Other financial income.....	120.053	0
Other financial expenses.....	-754.437	-17.223
PROFIT OR LOSS FOR THE YEAR	<u>10.942.252</u>	<u>6.911</u>

BALANCE SHEET AT 31. DECEMBER 2019

ASSETS

	2019 USD	2018 TUSD
Other receivables	4.351.711	0
Investments	4.351.711	0
NON-CURRENT ASSETS	4.351.711	0
Trade receivables	21.257.437	20.994
Other receivables	0	10
Accruals	7.126.627	0
Receivables	28.384.064	21.004
Cash	268.932	5.873
CURRENT ASSETS	28.652.996	26.877
ASSETS	33.004.707	26.877

BALANCE SHEET AT 31. DECEMBER 2019
EQUITY AND LIABILITIES

	2019 USD	2018 TUSD
Contributed capital	980.788	980
Retained earnings	3.949.246	-6.994
3 EQUITY	4.930.034	-6.014
Other accounts payable	6.006.254	19.363
Long-term payables	6.006.254	19.363
Credit institutions	0	1.531
Trade creditors	20.261.626	1.371
Other accounts payable	0	10.601
Accruals	1.806.792	25
Short-term payables	22.068.418	13.528
PAYABLES	28.074.672	32.891
EQUITY AND LIABILITIES	33.004.706	26.877
4 Charges and securities		
5 Related parties		

STATEMENT OF CHANGES IN EQUITY

	2019 USD	2018 TUSD
Contributed capital opening.....	980.788	980
Contributed capital closing balance	980.788	980
Retained earnings at beginning of period	-6.993.007	-13.905
Profit for the year	10.942.253	6.911
Retained earnings closing balance	3.949.246	-6.994
EQUITY	4.930.034	-6.014
Proposed distribution of net profit	10.942.253	6.911

CASH FLOW STATEMENT

	2019 USD	2018 TUSD
Profit or loss for the year	10.942.252	6.911
Impairment of current assets	0	5.128
6 Other adjustments	634.384	17.223
7 Change in working capital	1.160.354	-25.646
Cash flows from operating activities before interest	12.736.990	3.616
Interest received, etc	120.053	0
Interest paid	-754.437	-17.223
Cash flows from operating activities	12.102.606	-13.607
Acquisition of investments	-4.351.711	0
Cash flows from investing activities	-4.351.711	0
Repayments of long-term debt	-13.354.963	14.235
Cash flows from financing activities	-13.354.963	14.235
Changes in cash and cash equivalents	-5.604.068	628
Cash and cash equivalents at beginning of period	5.873.000	5.245
8 Cash and cash equivalents at end of period	268.932	5.873

NOTES

	2019 USD	2018 TUSD	
1 Exceptional circumstances			
<p>After the balance sheet date, there has been a significant impact on Danish society as a result of coronavirus. It is currently uncertain how much this situation can affect the company's activity in the future, but there will probably be an impact. We considers that this impact may mean an adjustment in future results</p>			
2 Number of people employed			
Number of persons employed on average	<u>1</u>	<u>1</u>	
3 Equity	Opening balance	Proposed distribution of net profit	Closing balance
Contributed capital	980.788	0	980.788
Retained earnings	<u>-6.993.007</u>	<u>10.942.253</u>	<u>3.949.246</u>
	<u>-6.012.219</u>	<u>10.942.253</u>	<u>4.930.034</u>
4 Charges and securities			
None			
5 Related parties			
None			
6 Other adjustments			
Other financial income.....	-120.053	0	
Other financial expenses.....	<u>754.437</u>	<u>17.223</u>	
	<u>634.384</u>	<u>17.223</u>	

NOTES

	2019 USD	2018 TUSD
7 Change in working capital		
From customers from fuelling	-6.766.437	-3.343
Prepayments for fuel suppliers	5.496.000	-2.844
Loan receivable	1.007.000	-1.007
Other receivables	0	2.968
Other receivables	10.000	-6
Prepayments and accrued income.....	-7.126.627	0
Other credit institutions.....	-1.531.000	-19.321
Trade payables.....	18.940.722	-10.815
Services payables	-50.096	-1.380
Other payables	-10.601.000	10.601
Deferred income.....	1.781.792	-499
	1.160.354	-25.646
	1.160.354	-25.646
 8 Cash and cash equivalents at end of period		
Banks.....	268.932	5.873
	268.932	5.873
	268.932	5.873