

Marine Fluid Technology A/S

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Annual Report

July 12, 2018 - December 31, 2019

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

Jens Nimgaard Byrgesen
Chairman

Marine Fluid Technology A/S

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Management's Statement

Today, Management has considered and adopted the Annual Report of Marine Fluid Technology A/S for the financial year 12 July 2018 - 31 December 2019.

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 assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 12 July 2018 - 31 December 2019.

In our opinion, the 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.

Hellerup, 11 May 2020

Executive Board

Jens Nimgaard Byrgesen

Supervisory Board

Else Nimgaard Byrgesen
Chairman

Lars Byrgesen

Jens Nimgaard Byrgesen

Independent Auditors' Report

To the shareholders of Marine Fluid Technology A/S

Opinion

We have audited the financial statements of Marine Fluid Technology A/S for the financial year 12 July 2018 - 31 December 2019, which comprise an income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of its operations for the financial year 12 July 2018 - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.

Independent Auditors' Report

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Hørsholm, 11 May 2020

KRESTON CM

Statsautoriseret Revisions interessentskab

CVR-no. 39463113

Frantz Slisz
mne34380

Marine Fluid Technology A/S

Company details

Company	Marine Fluid Technology A/S Strandvejen 70, 2 2900 Hellerup
	CVR No. 39732610
	Date of formation 12 July 2018
	Financial year 12 July 2018 - 31 December 2019
Supervisory Board	Else Nimgaard Byrgesen Lars Byrgesen Jens Nimgaard Byrgesen
Executive Board	Jens Nimgaard Byrgesen
Auditors	KRESTON CM Statsautoriseret Revisions interessentskab Usserød Kongevej 157 2970 Hørsholm CVR-no.: 39463113

Management's Review

The Company's principal activities

Marine Fluid Technology A/S is responsible for the continued development of the SEA-Mate Blending-on-Board lubrication system and the SEA-Mate XRF lube & fuel oil analyzer, as well as the ongoing operational and commercial activities. Blending-on-Board is an innovative, environmentally friendly and efficient lubrication solutions for merchant vessels. Additional activities includes onboard field services, engine inspection and marine oil products like pipes, tanks, cleaning systems and test kits. All covered by 24/7 global after-sale service, to support customer requirements.

Development in activities and financial matters

The first annual accounts was positively impacted by a successful transfer of activities Maersk Fluid Technology A/S to Marine Fluid Technology A/S by the end of 2018. Servicing of existing customers from Maersk Fluid Technology, have efficiently been taken over, continuing the technical service. New commercial activities have increased the customer base significantly during 2019, particularly shipowners within the Tanker and Bulk Carrier segment. The 2020 marine fuel regulatory changes, boosted shipowners need to have a flexible lubrication solution for 1st of January 2020, to secure optimum cylinder unit wear rates with the new 2020 compliant marine fuels.

Post financial year events

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Accounting Policies

Reporting Class

The Annual Report of Marine Fluid Technology A/S for 2018/19 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

As the financial year 2018/19 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The Annual Report is presented in Euro.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into EUR based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, cost of raw and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Income from the sale of goods for resale and finished goods is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end, if it is possible to calculate the income reliably. The revenue is exclusive of VAT and net of sales discounts.

Raw materials and consumables used

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

Other external costs include costs for distribution, sales, administration and premises.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, accounts payable and transactions in foreign currencies.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Accounting Policies

Balance Sheet

Deposits

Deposits are measured at cost.

Inventories

Inventories are measured at cost on the basis of the FIFO principle. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

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

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Proposed dividend for the year is recognised as a separate item in equity.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2018/19 EUR
Gross profit		404.232
Other employee expense	1	-98.616
Profit from ordinary operating activities		305.616
Other finance expenses		-1.425
Profit from ordinary activities before tax		304.191
Tax expense	2	-68.810
Profit		235.381
Proposed distribution of results		
Proposed dividend recognised in equity		66.937
Retained earnings		168.444
Distribution of profit		235.381

Marine Fluid Technology A/S

Balance Sheet as of 31 December

	Note	2019 EUR
Assets		
Deposits, investments		4.338
Investments		4.338
Fixed assets		4.338
Manufactured goods and goods for resale		88.921
Inventories		88.921
Short-term trade receivables		20.932
Short-term receivables from group enterprises		67
Other receivables		79.186
Deferred income assets		26.775
Receivables		126.960
Cash and cash equivalents		191.437
Current assets		407.318
Assets		411.656

Balance Sheet as of 31 December

	Note	2019 EUR
Liabilities and equity		
Contributed capital		53.550
Retained earnings		168.444
Proposed dividend recognised in equity		66.937
Equity		288.931
Trade payables		35.837
Tax payables to group enterprises		68.810
Other payables		18.050
Payables to shareholders and management		28
Short-term liabilities other than provisions		122.725
Liabilities other than provisions within the business		122.725
Liabilities and equity		411.656
Contingent liabilities	3	
Collaterals and assets pledges as security	4	

Marine Fluid Technology A/S

Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 12 July 2018	53.550	0	0	53.550
Profit	0	168.444	66.937	235.381
Equity 31 December 2019	53.550	168.444	66.937	288.931

Notes

	2018/19
	EUR
1. Employee benefits expense	
Wages and salaries	98.295
Social security contributions	321
	98.616

Average number of employees	1
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2. Tax expense

Income tax expense	68.810
	68.810

3. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Jens Byrgesen Holding ApS which is the administration company in the joint taxation.

4. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

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Lars Byrgesen

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