

# Oil tanking Copenhagen A/S

c/o Prøvestenen  
S-Vej 4  
2300 København S  
Denmark

CVR no. 41 91 07 12

## Annual report 2020

The annual report was presented and approved at the  
Company's annual general meeting on

29 April 2021

Karl Henrik Dahl  
chairman

## **Contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

**Oiltanking Copenhagen A/S**  
Annual report 2020  
CVR no. 41 91 07 12

## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Oiltanking Copenhagen A/S for the financial year 1 January – 31 December 2020.

The annual report has been 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 assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 29 April 2021  
Executive Board:

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Karl Henrik Dahl  
CEO

Board of Directors:

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Sjoerd Pieter Johannes  
Boer  
Chairman

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Robertus Johannes Eijkholt

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Karl Henrik Dahl



## Independent auditor's report

### To the shareholder of Oiltanking Copenhagen A/S

#### Opinion

We have audited the financial statements of Oiltanking Copenhagen A/S for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. 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 assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

#### 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 rules and 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.



## Independent auditor's report

- 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 the 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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 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 Danish 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 Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 April 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Klaus Rytz  
State Authorised  
Public Accountant  
mne33205

**Oiltanking Copenhagen A/S**  
Annual report 2020  
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## Management's review

### Company details

Oiltanking Copenhagen A/S  
c/o Prøvestenen  
S-Vej 4  
2300 København S  
Denmark

Telephone: 3295 9595  
Fax: 3295 8228

CVR no.: 41 91 07 12  
Established: 21 October 1960  
Registered office: Copenhagen  
Financial year: 1 January – 31 December

### Board of Directors

Sjoerd Pieter Johannes Boer, Chairman  
Robertus Johannes Eijkholt  
Karl Henrik Dahl

### Executive Board

Karl Henrik Dahl, CEO

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen  
Denmark

## **Management's review**

### **Operating review**

#### **Core activity**

The Company's main activity is tank storage rental.

#### **Development in activities and financial position**

The Company's income statement for 2020 shows a profit of DKK'000 10,031 as against DKK'000 1,153 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK'000 101,778 as against DKK'000 40,112 at 31 December 2019.

#### **Market overview**

2020 has in many ways been very challenging due to Covid-19. Despite this the Company has been successful in keeping the services running and have rented out all storage capacity.

At the end of October 2020, the structural business was expanded by another 73,000 cbm new storage capacity, which has been in preparation since 2018. The capacity has been commissioned to serve a large customer for motor fuel distribution

#### **Subsequent events**

For 2021 nearly all capacity is fully rented out, and only a part of the Fuel Oil capacity is still under negotiation.

Besides the above no events have occurred after the balance sheet date, that have materially affected the assessment of the annual report.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2020	2019
<b>Gross profit</b>		48,018	36,353
Staff costs	2	-19,152	-19,581
Depreciation, amortisation and impairment losses		-10,396	-10,863
<b>Profit before financial income and expenses</b>		18,470	5,909
Financial expenses	3	-5,615	-4,413
<b>Profit before tax</b>		12,855	1,496
Tax on the result for the year	4	-2,824	-343
<b>Result for the year</b>		10,031	1,153
<b>Proposed profit appropriation</b>			
Retained earnings		10,031	1,153
		10,031	1,153



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2020	2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	5		
Land and buildings		7,885	3,643
Property, plant and equipment in progress		7,482	187,649
Property, plant and machinery		427,909	113,757
Fixtures and fittings, tools and equipment		1,619	1,472
		<u>444,895</u>	<u>306,521</u>
<b>Investments</b>			
Deposits		0	83
<b>Total fixed assets</b>		<u>444,895</u>	<u>306,604</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		1,693	3,426
Receivables from group entities		1,555	29
Other receivables		594	7,102
Prepayments		3,546	2,552
		<u>7,388</u>	<u>13,109</u>
<b>Cash at bank and in hand</b>		<u>3,789</u>	<u>19,016</u>
<b>Total current assets</b>		<u>11,177</u>	<u>32,125</u>
<b>TOTAL ASSETS</b>		<u><u>456,072</u></u>	<u><u>338,729</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2020	2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		4,400	4,400
Retained earnings		97,378	35,712
<b>Total equity</b>		<u>101,778</u>	<u>40,112</u>
<b>Provisions</b>			
Provisions for deferred tax		3,087	271
<b>Total provisions</b>		<u>3,087</u>	<u>271</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
	6		
Payables to group entities		283,415	207,313
Other payables		2,392	645
		<u>285,807</u>	<u>207,958</u>
<b>Current liabilities other than provisions</b>			
Short-term portion of long-term debt		46,401	30,641
Prepayments received from customers		59	0
Trade payables		8,861	28,197
Payables to group entities		6	4,831
Payables to associates		0	651
Corporation tax		1,555	609
Other payables		8,518	25,459
		<u>65,400</u>	<u>90,388</u>
<b>Total liabilities other than provisions</b>		<u>351,207</u>	<u>298,346</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>456,072</u>	<u>338,729</u>
<b>Contingent liabilities</b>	7		
<b>Charges and securities</b>	8		
<b>Related parties and ownership</b>	9		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	4,400	35,712	40,112
Cash capital increase	0	51,635	51,635
Transferred over the profit appropriation	0	10,031	10,031
<b>Equity at 31 December 2020</b>	<b>4,400</b>	<b>97,378</b>	<b>101,778</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Oiltanking Copenhagen A/S for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### General about recognition and measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation amortisation, and writedown, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow from 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 will flow from the Company and the value of the liability can be measured reliably.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement take into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of tangible fixed assets is reviewed annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Revenue

The revenue represents the invoiced sales during the year and are recognised at billing time.

#### Direct costs

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect cost of sales.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Costs are accrued and charged to the income statement so they cover the period up to the end of the financial year.

##### Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc., to the Company's employees excluding refunds from public authorities.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately. Fixed assets under construction are recognized and measured at cost on the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

The Company has chosen not to recognise a demolition obligation at production plants and machinery etc., which is in accordance with the Danish Financial Statements Act before 2001. The demolition obligation is not recognised in the balance sheet, but is only disclosed as a contingent liability. The estimated useful lives are as follows:

Office building on leased land	20 years
Tank installations	20 years
Technical plants and machinery	4-15 years
Office equipment	4 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

#### Investments

Deposits are recognised at amortised cost.

#### Impairment of fixed assets

The carrying amounts of property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### Receivables

Receivables are measured at amortised cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

#### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

#### Cash at bank and in hand

Cash comprises bank deposits.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement and in equity.

The Company is jointly taxed with other Danish companies in the Group. As administrative company, together with the other companies in the joint taxation, the Company has joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

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

## Financial statements 1 January – 31 December

### Notes

DKK'000	<u>2020</u>	<u>2019</u>
<b>2 Staff costs</b>		
Wages and salaries	16,528	17,209
Pensions	1,501	1,315
Other social security costs	255	331
Other staff costs	<u>868</u>	<u>726</u>
	<u>19,152</u>	<u>19,581</u>
Average number of full-time employees	<u>28</u>	<u>25</u>
<b>3 Other financial expenses</b>		
Interest expense to group entities	5,615	4,104
Other financial costs	<u>0</u>	<u>309</u>
	<u>5,615</u>	<u>4,413</u>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	0	609
Deferred tax for the year	2,836	0
Adjustment of tax concerning previous years	8	0
Adjustment of deferred tax concerning previous year	<u>-20</u>	<u>-266</u>
	<u>2,824</u>	<u>343</u>



## Financial statements 1 January – 31 December

### Notes

#### 5 Property, plant and equipment

DKK'000	Land and buildings	Property, plant and equipment in progress	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2020	4,232	187,649	133,108	2,885	327,874
Additions	0	148,771	0	0	148,771
Transfers	4,608	-328,938	323,584	746	0
Cost at 31 December 2020	8,840	7,482	456,692	3,631	476,645
Depreciation and impairment losses at 1 January 2020	-589	0	-19,351	-1,413	-21,353
Depreciation	-366	0	-9,432	-599	-10,397
Depreciation and impairment losses at 31 December 2020	-955	0	-28,783	-2,012	-31,750
<b>Carrying amount at 31 December 2020</b>	<b>7,885</b>	<b>7,482</b>	<b>427,909</b>	<b>1,619</b>	<b>444,895</b>

#### 6 Non-current liabilities other than provisions

DKK'000	1 January 2020	31 December 2020	Payment within 1 year	Debt 1-5 years	Outstanding debt after five years
Payables to group entities	237,954	329,816	46,401	144,873	138,542
Other payables	645	2,392	2,392	0	0
	<b>238,599</b>	<b>332,208</b>	<b>48,793</b>	<b>144,873</b>	<b>138,542</b>

## Financial statements 1 January – 31 December

### Notes

#### 7 Contingent liabilities

The Company has a demolition obligation on its seven lease contracts at Prøvestenen at an estimated value of DKK 22,199 thousand. The lease contracts cannot be terminated by Udviklingselskabet By & Havn until 2034.

The Company has a rent obligation amounting to DKK 66,184 thousand (31 December 2019: DKK 67,999 thousand). The Company has an operating lease obligation in the amount of DKK 755 thousand (31 December 2019: DKK 824 thousand).

Corporation tax payable within the joint taxation scheme amounted to DKK 1,555 thousand at 31 december 2020 (2019: DKK 365 thousand). Any later corrections of the taxable income subject to joint taxation may entail that the Company's liability will increase

#### Other contingent liabilities

The Company has been sued in connection with a duty claim brought by Danish Customs and Tax Authorities (DCTA) against one of Oiltanking Copenhagen A/S' customers. The claim depends on whether Oiltanking Copenhagen A/S' customer loses the case against the DCTA. The duty claim is still pending, and it is assessed that the claim has been raised to avoid statute of limitation. The claim amounts to DKK 14,3 million.

The DCTA has lodged a claim for payment of unpaid customs of DKK 2,6 million. Of the stated amount the DCTA has held another company jointly liable for part of the claim in the amount of DKK 1,6 million.

The company has been notified of a potential claim in connection with the termination of a contract. The lawyer of the company assess there is little or no basis for the claim.

#### 8 Charges and securities

The Parent Company has issued a guarantee to Port of Copenhagen (Københavns Havn) of DKK 3 million for i. a. demolition and contamination liabilities.

The Parent Company has issued a guarantee to the SKAT in the amount of DKK 1,852 thousand.

#### 9 Related party disclosures

##### Consolidated financial statements

The Company is included in the consolidated financial statements of Oiltanking GmbH, Koreastrasse 7, D-20457 Hamburg, Germany. Which is the smallest group in which the company is included as a subsidiary. The consolidated financial statements in question can be obtained upon request to the Parent Company.