



# JOINT SUCCESS

Marquard & Bahls AG  
Annual Report 2019

# Group Figures 2019

## **Marquard & Bahls**

13,875 million € consolidated revenues (including energy taxes)  
6,715 employees

## **Oiltanking**

19.8 million cbm tank capacity  
154.8 million t throughput

## **Mabanaft**

18.1 million t sales

## **Skytanking**

24.7 million cbm throughput

# EVERYTHING IS CONNECTED

Marquard & Bahls and its subsidiaries are part of an economic chain that connects companies and people around the world: employees, suppliers, business partners, and customers. Together, we ensure that energy and chemicals are ready and available for use wherever they are needed.

We know what we do – and also what comes next, once

- ▷ our traders have done their business,
- ▷ the products leave our tank terminals, and
- ▷ our fuelling operators have done their job.

This annual report shows you how our products and services are used by our customers. Every day. Worldwide. Together, we create a whole that is far greater than the sum of its individual parts: joint success.

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## WHAT DRIVES US?

In 2019, Marquard & Bahls made crucial progress. Both the Marquard & Bahls Group and the operating units – Oiltanking, Mabanafit, Skytanking – reorganized themselves and developed strategies for the years ahead. In the process we also asked ourselves fundamental questions: What drives us? What do we want to accomplish? How do we live our values?

Our vision is to be a successful, ethical investor who supports human development. This is both a motivation and an aspiration that we want to live up to in matters large and small, in our existing business areas as well as when making new investments. We reject anything that is neither safe nor ethically justifiable. It is important for us to treat each other with respect, to honor our commitments, and to conduct ourselves with integrity and responsibility.

In 2020, we find ourselves confronted with a pandemic of unimaginable proportions. This represents a major challenge for society and business alike – and hence for our company, too. At this point, we can only guess at the long-term repercussions of the coronavirus crisis. But it also strengthens our solidarity and helps us to focus on what is essential. With a determined approach, together with our employees and customers, we will master this difficult time as well. We are sure of this.

Hamburg, May 2020

A handwritten signature in blue ink, appearing to read 'D. Weisser', with a stylized, flowing end.

Daniel Weisser  
Chairman of the Supervisory Board

## “GOOD COOPERATION IS THE BASIS OF SUCCESS”

For Marquard & Bahls, 2019 was a year of organizational changes, portfolio adjustments, and positive financials. What were the highlights of the year? What will be the impact of the coronavirus crisis? How important is good collaboration with customers and employees? In the following interview, Mark Garrett (CEO) and Lorenz Zwingmann (CFO) reflect on developments in 2019 and outline the goals the company has set itself for 2020.

**2019 was the first full financial year for both of you. How did you experience the year?**

**Mark:** Well, in the previous year, 2018, we didn't have much of a good run; things weren't going well in either the organization or the business; the financial results were unsatisfactory. In 2019, we picked up speed again. At Oiltanking and Mabanaft, two new, experienced CEOs, Matti Lievonen and Tim Bullock, came on board. And the Operating Units are operating successfully again. At the end of the year, the results had picked up noticeably, and the mood improved along with them.

**Lorenz:** Looking back today, we can see how much we accomplished in 2019: Our internal projects made good progress, the Business Solution Center combining our Human Resources, Finance, IT and Facility Management departments, went live, our holding governance was put into action – important decisions all of them. And we developed Strategy 2025 and Strategy 2030, respectively, for Marquard & Bahls as a whole and for the Operating Units – Oiltanking, Mabanaft, Skytanking.



**The values of the Group and the holding company's vision & mission were also redefined, and there were numerous organizational changes as well. What was the rationale behind these changes?**

**Mark:** It's true, we aired things out thoroughly – a company needs that from time to time. The basics have to be right, and that includes values that unite us all, as well as a clear vision & mission. In addition, we structured a lot things more stringently than before and defined new processes, taking our cue from the prevailing industry standards. We're not there yet; further adjustments will be necessary, especially in the Finance and IT departments, but we are making good progress. One very important point: Going forward, we must make sure our investment decisions are well thought-out and in line with our strategy and values.

**Lorenz:** As far as the management of the company is concerned, we both prefer a decentralized organization. We have realigned a lot of things based on this objective. It is important to delegate responsibility to the operational levels – that's where business is done, and that's where the accountability must reside.

**Marquard & Bahls also divested from several business areas. What was the rationale behind this?**

**Mark:** In the end, these were overdue decisions. We spent a lot of time on UBT, Bomin, Mabagas, natGAS and Carbonbay because they were not part of our core competencies, were too small, or not lucrative enough. All of these areas demanded a lot of attention without being profitable. What we need are sustainably successful businesses.

**Lorenz:** Although emissions trading and biogas are definitely sustainable business areas in terms of their activities, Carbonbay and Mabagas were too small to really be able to operate these businesses successfully.



**Mark:** The portfolio cleanup was necessary, and we've largely completed it at this point. Of course, there is no definitive end to the process. Every portfolio is naturally subject to change and continues to evolve, just as Oiltanking, Mabanaft and Skytanking must constantly readjust to accommodate customer requirements and market constellations.

**Let's talk about financial performance: How did Oiltanking, Mabanaft, and Skytanking do in 2019?**

**Lorenz:** The results are good, I'm very satisfied – the budget targets were clearly exceeded.

**Mark:** Mabanaft and Oiltanking are doing well and developing positively, Skytanking expanded strongly, adding many new sites, and invested accordingly. The performance of the individual airports varied as a result.

**Lorenz:** The cost-cutting program was very successful as well. We more than achieved our goals. Now it's up to the Operating Units to keep a close eye on costs. The necessary cost consciousness must remain part of our DNA in the future – and the same goes for growth and profitability.

**Why did you choose “Joint Success” as the motto for this annual report?**

**Mark:** Behind every success is a good collaboration. Only if customers, suppliers, and your own employees work hand in hand will a business run and do well in the long term. Happy customers, both external and internal, are essential for this. While the Operating Units concentrate on customers and their requirements, the holding company focuses on internal customers, i.e. the OUs and functions – and that is the reason behind the title of this annual report. From OIL! and Petronord, which are active in the consumer business, to the Oiltanking or Skytanking sites, each location and unit must be aware of its responsibility to customers.

**Lorenz:** We are a customer-oriented organization. In the end, it is the customer who pays – and they will only do so if they are happy with the products and services we provide. It is up to us to provide them with the best possible service. The adjustments we've made, including the reorganization of Oiltanking, reflect this – with regional distribution of responsibilities and competencies and a strong focus on our customers.



**Now that the portfolio has been streamlined, investments are being made again. Can you briefly outline these for us?**

**Mark:** I'd be happy to. In January 2020 we made two investments: Mabanaft will participate as investor and offtaker in a world-scale ammonia production facility in Texas City, USA. This is a decisive step for Mabanaft to expand its portfolio in the chemicals sector. Beyond this, Oiltanking North America will also act as investor and will own and operate the shipping facilities.

The second investment: Marquard & Bahls has acquired a minority stake in Nordic Blue Crude, Norway, one of the pioneers in power-to-liquid. This acquisition expands our existing portfolio by adding "zero emissions fuels." A development that we are very pleased about, as we believe in the technology and see many opportunities for the future here.

**Lorenz:** But we are growing in our existing business areas as well. For example, Mabanaft recently acquired a second truck stop in the U.K., we added two more end-consumer businesses in Sweden, at AGT in Antwerp we will see the commissioning of the world's largest butane tank this year, and in Saldanha, South Africa, we built a new crude oil terminal. We are expecting the first product shipment there in mid-April.

**What are the Marquard & Bahls Group's goals for 2020?**

**Mark:** Last year we redefined our values. Now is the time to live these values and to align our actions accordingly. That is our first goal. The second concerns HSSE (health, safety, security, environment): Here, we are determined to further improve our performance and in particular to further reduce accidents, product spills, and fire. Last but not least, we will drive forward the execution of the Group's strategy as well as the strategies of the individual Operating Units.

**What kind of an impact will the coronavirus crisis have?  
Can you give an initial assessment?**

**Lorenz:** Naturally, we are affected by the coronavirus pandemic as well. In all the countries where we operate, we are being confronted with various kinds of challenges. Our top priority is always to protect the health of our employees and contractors as best as possible.

As for the economic impact: Oiltanking is confident and benefits from the fact that the market is shifting toward contango. Mabanaft can take advantage of the market volatility in many ways, but the increasing risk also needs to be managed. For Skytanking, the current situation is very difficult, as the global aviation market has come to a standstill in many countries, except for cargo traffic. Here, we will have to find individual solutions for each location. In a nutshell: Marquard & Bahls is strong, but we, too, are affected by the crisis.

**Mark:** This is not an easy time for us. But the crisis also makes us stand closer together. We're proud of how everyone has come together so far. This really goes for all employees: the traders, who are coping with an enormous workload – the colleagues at the sites around the world, many of whom are working in shifts to minimize the risk of infection – and the employees working from home, who often have to take care of their children in addition to their work due to kindergarten and school closures. Everyone is committed, everyone is at their posts. Social distancing aside, we have all moved closer together.

**The year 2020 marks the beginning of a new decade as well.  
How will Marquard & Bahls develop in the decade ahead?**

**Mark:** We will continue to invest in various market segments. We currently have a strong focus on fossil fuels and on Europe. Our portfolio will change in favor of other energy sources and chemicals, as well as other regions.

**Lorenz:** Digitalization will be an important topic that will affect all of us – the holding, the Business Solution Center, our Operating Units – and of course our customers.

**Mark:** Electrification is another topic that will completely change our markets and those of our customers. We will also be seeing a changing energy mix – and an overall changing energy landscape. There are many challenges ahead, but we're well positioned and we will actively shape the changes.

Mark Garrett  
Chairman & CEO

Lorenz Zwingmann  
Chief Financial Officer





Marquard & Bahls had a successful year in 2019, in which a good result was achieved and crucial decisions were made. New strategies were developed for the Group as a whole and for the Operating Units, the new holding governance was implemented, and the vision & mission redefined.

## LOOKING BACK ON AN EVENTFUL YEAR

The Marquard & Bahls group of companies did well in 2019, ending the year with pre-tax earnings of 108 million euros. While the tank storage logistics and trading business units achieved good results, the aviation fuelling business reported stagnant results. Key accomplishments during the year included the restructuring of the portfolio and the reorganization of the company.

The new holding governance describes how the Core Holding, the Business Solution Center (HR, IT, Finance, Facility Management), and the Operating Units work together. Governance principles ensure a shared understanding of leadership and an overarching stakeholder orientation in the management of the Marquard & Bahls Group. Together with our vision & mission and our values, they define the role of the holding company, which focuses on shaping & safeguarding the Group, while the subsidiaries act as independent Operating Units.

During the year, new strategies were also developed for Marquard & Bahls and for the Oiltanking, Mabanaf, and Skytanking Operating Units.

The portfolio adjustment begun in the previous year was continued and largely completed. The company had already announced its withdrawal from the biogas activities (Mabagas) and emissions trading (Carbonbay) at the end of 2018. While the biogas activities were bundled into IOT Infrastructure and Energy Services, an Oiltanking joint venture, as of April 2019 and thus remain part of the Group, the emissions trading business was sold.

In autumn 2019, Marquard & Bahls also disposed of United Bulk Terminals Davant, USA, which is active in bulk handling. Shortly afterwards, the company sold its stake in the Potsdam-based utilities company, natGAS. Over the course of the year, the bunker business, which is part of Bomin, was also further downscaled.

All transactions were in line with Marquard & Bahls' strategy of focusing on its core activities of tank terminal logistics, trading, and aircraft fuelling, as well as investments in the energy and chemicals sectors.





Besides the aforementioned divestments, preparations were also made to expand the business into new areas in 2019. Two investment projects were already put into action in January 2020: First, Mabanaft will participate as investor and offtaker in a world-scale ammonia production facility in Texas City, with an investment volume amounting to 31 percent. Secondly, Marquard & Bahls has acquired a minority stake in Nordic Blue Crude, one of the pioneers in power-to-liquid, thereby expanding its portfolio towards including “zero-emissions fuels.”

We will continue along this path we have chosen. As part of our investment activities, we will further diversify our portfolio, which in the past has focused strongly on fossil fuels and on locations in Europe. The aim is to develop more renewable fuels and to invest more in regions outside Europe.

### Good results in the core activities

In 2019, the international energy markets remained in a phase of instability and structural change. This was due to the decline in energy intensity, the energy transition, and the slowdown in global economic growth. Trade tensions between the U.S. and China further dampened growth.

The market as a whole was characterized by oversupply. The average price of Brent crude oil futures contracts was down from the previous year. However, unexpected events, such as the rocket attacks on Saudi Arabian refineries, geopolitical tensions around the Middle East, contaminated crude oil coming from Russia to Western Europe via the Druzhba pipeline, and tightened emissions regulations, led to volatility, which also offered trading opportunities. Mabanaft, which is active in the trading business, took advantage of these opportunities and successfully maintained its position with a significantly increased profit.

Demand for tank space for petroleum products developed differently from region to region, but remained at a high level, while demand for chemicals and the associated storage capacities slowed down. Demand for tank space for gas remained strong. With high capacity utilization rates, Oiltanking achieved a result that was significantly above expectations.

The aviation industry continued to grow in 2019, but at a slower pace. Passenger numbers increased, but less steeply than in previous years. In the cargo business, some regions recorded growth, while in others volumes stagnated due to slower economic growth. In this environment, Skytanking expanded its network by a total of 16 new locations.

Further developments remain to be seen against the backdrop of the coronavirus pandemic. While some of Oiltanking and Mabanaft’s businesses will be able to profit in parts from the contango situation that is emerging for 2020, Skytanking will have to accept a massive decline in business due to the fact that air traffic has largely come to a standstill.

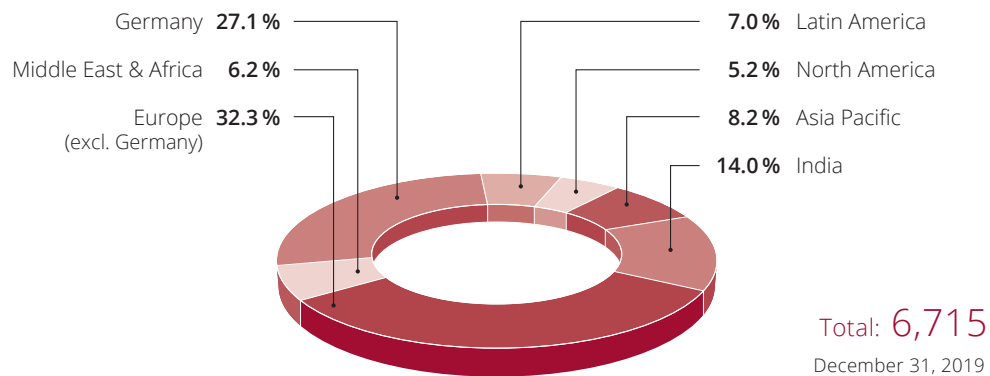
## EMPLOYEES

In 2019, Marquard & Bahls employed 6,715 people in 35 countries worldwide. Compared to the previous year, this represents a decrease of 11 percent. The reason for this was the sale of business activities outside the Group's core activities as part of the portfolio adjustment.

As the connector between the company and its employees, Human Resources (HR) continued to pursue the overriding goal of recruiting and promoting employees and optimizing internal processes. Trainees, dual students and apprentices were supported as they entered their careers, and various training and development programs were made available to employees in a wide range of fields.

In addition, Human Resources provided support in implementing the new holding governance and the resulting change process. As part of the reorganization, the Operating Units – Oiltanking, Mabanaft and Skytanking – will have their own HR departments from now on. However, overarching strategic tasks will continue to be handled by the holding.

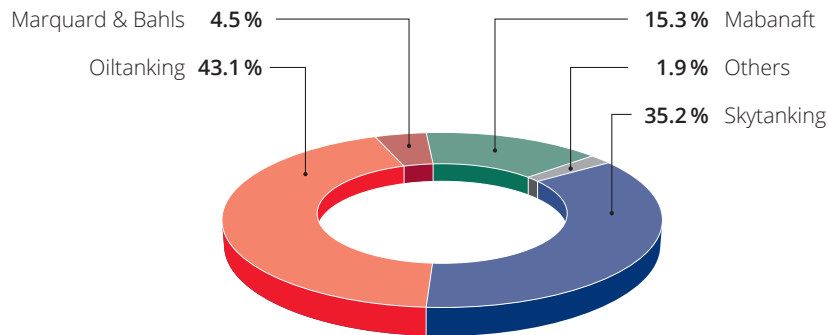
### Employees by region



Other central projects included the further development of the global HR management system and the hosting of staff events, among other things to support succession planning in the Operating Units. For the first time, an online platform for language learning was made available to employees worldwide. A new service provider was established to advise and support employees in Germany on issues of daily life.

In addition to the usual tasks in the areas of personnel planning, management, development, and communications, the agenda for 2020 includes the further optimization of HR processes.

## Employees by company



Total: **6,715**

December 31, 2019

\* Including employees of all non-consolidated and associated companies at year-end.

## HSSE – HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Safeguarding health, occupational safety, security and environmental protection is a top priority for Marquard & Bahls. We are committed to conducting all business activities safely and efficiently, and promote a proactive safety culture throughout the company to prevent accidents, injuries and work-related damage to health and the environment. To achieve this, we develop guidelines and minimum requirements, define targets, and monitor their implementation.

In 2019, the rate of documented injuries among employees and contractors (as defined in US-OSHA 29 CFR 1904) decreased by 16.3 percent. Continuing this positive trend is one of the Group's strategic goals for 2020. The rates of product releases and fire were also further improved. As in 2018, there were no process-related fires (as per API RP 754).

In March 2019, Oiltanking hosted its third "Global Safety Day." The main topics were the "Target Zero" initiative and measures to prevent accidents, with a special focus on measures to prevent trips and falls. Involving contractors was an important aspect of this, to further improve HSSE performance. On Global Safety Day, a total of 12 companies were awarded the "HSSE Contractor Award" for their exceptional performance. Local activities, such as blood drives, firefighting training, first-aid exercises, and beach clean-ups rounded off the program.



At Mabanaf, a new HSSE dashboard was rolled-out in March 2019, in which detailed, daily updated information on HSSE KPIs is available for all business units. Based on the HSSE & Sustainability Group Policy, a new HSSE Manual was published for the Mabanaf Group. The Ship Charter Policy was also revised and adapted to the latest legislation.

In autumn 2019, Skytanking conducted its first global online survey on safety culture, based on the questionnaire developed by the renowned Energy Institute. This survey makes it possible to assess the current state of a company's safety culture at global, regional and local level. Skytanking scored a positive result, with a predominantly proactive safety culture. Based on a detailed evaluation of the survey results, initiatives are now being developed to further improve the safety culture.

Since the beginning of 2020, the global spread of the coronavirus has been posing major challenges for the Group. The HSSE & Sustainability function heads the crisis management team and coordinates all measures with the Operating Units. Extensive preventive measures have been taken. At the time this Annual Report went to press, the future developments regarding Covid-19 infections could not yet be foreseen. However, Marquard & Bahls believes it is well prepared to safely and reliably maintain its operations.

The HSSE Council newly established for the Marquard & Bahls group is a platform for discussing strategic and technological developments in the field of HSSE. Another focus is on sharing HSSE knowledge and experience with the Operating Units.

## VISION & MISSION AND VALUES

Our vision describes what we strive for as an agile, independent holding company in the energy & chemicals sector: to be a successful ethical investor supporting human development. Our mission is to build an investment-grade portfolio of companies that operate safely and minimize their environmental footprint.

The Operating Units have each defined their own vision & mission, but there is a shared code of values within the Group that encompasses respect, reliability, integrity and responsibility. These values underpin the actions and conduct of the entire Marquard & Bahls Group: it is important for us to treat each other with respect, to honor our commitments, and to act with both integrity and responsibility.



## WHO WE ARE

We are an agile, independent holding company in the energy & chemical sector.

### VISION

To be a successful ethical investor supporting human development.

### MISSION

We build an investment-grade portfolio of innovative companies that operate safely.  
We guide and support our companies to strengthen their competitive advantage.  
We minimize our environmental footprint and live up to our values.

### VALUES

<div style="text-align: center;"></div> <h4 style="margin: 0;">RESPECT</h4> <ul style="list-style-type: none"> <li>■ We have high respect for the individual, and care for our people.</li> <li>■ We foster equal opportunity and diversity.</li> <li>■ We empower and promote our employees based on their talent, effort and achievements.</li> </ul>	<div style="text-align: center;"></div> <h4 style="margin: 0;">ACCOUNTABILITY</h4> <ul style="list-style-type: none"> <li>■ We take ownership of what we do, and live up to our high reputation.</li> <li>■ We stand by the commitments we undertake.</li> <li>■ We expect our employees to be accountable for their decisions and actions.</li> </ul>
<div style="text-align: center;"></div> <h4 style="margin: 0;">INTEGRITY</h4> <ul style="list-style-type: none"> <li>■ We act ethically and comply with all legal requirements.</li> <li>■ We deal with all stakeholders honestly, fairly and transparently.</li> <li>■ We believe that trust is the foundation for long-term partnerships.</li> </ul>	<div style="text-align: center;"></div> <h4 style="margin: 0;">RESPONSIBILITY</h4> <ul style="list-style-type: none"> <li>■ We commit ourselves to excellence in health &amp; safety and continuous improvement.</li> <li>■ We strive to minimize our environmental impact and drive sustainability.</li> <li>■ We are good neighbors wherever we operate.</li> </ul>



## SUSTAINABILITY

In our redefined vision, we commit to being a successful ethical investor that supports human development. We have taken this as an opportunity to revise our sustainability strategy. What does it mean for us to support human development? The United Nations Development Program approach aims to improve human well-being by ensuring a just, sustainable, and stable planet. People should live long and healthy lives, have knowledge, and enjoy a reasonable standard of living.

Marquard & Bahls promotes humanity's progress in the countries in which the Group operates by fostering equality and social justice, as well as environmental sustainability, human rights, and participation in social life and the world of work. We conduct ourselves as a fair employer and a committed member of society. We take responsibility by applying the principles of sustainable management in all our activities.



In 2019, we worked hard on further improving the way we measure and quantify our sustainability performance. We revised existing KPIs and defined new ones to help us better identify and understand the environmental and social impacts of our business activities. For example, we have drawn up Group-wide KPIs for energy consumption, CO<sub>2</sub> emissions, and water consumption in relation to our business activities, and combined them in an overarching sustainability dashboard. Our sustainability KPIs will also help us to better evaluate the energy-saving measures already implemented, as well as ongoing environmental projects, in the medium and long term.

One example is Oiltanking's "Green Spots" project, which was first piloted at the terminals in Amsterdam and Terneuzen. The idea behind "Green Spots" is to promote the development of initiatives that reduce our environmental footprint in the areas of energy, water, and waste by integrating measures into our tank terminal operations.

In addition, we have defined a donations target in relation to our net income, and continuously monitor our donation fulfillment rate to ensure that we meet or, as in 2018, exceed our target. Besides providing financial support, it is important to us to inspire our employees to volunteer. In the past year, many employees around the world continued their efforts by planting trees, cleaning beaches, assisting refugees, donating blood, conducting safety training, educational programs and sustainability workshops in the surrounding communities, and much more.

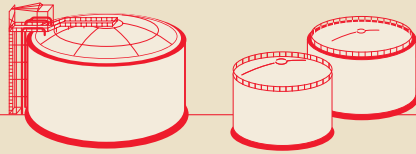
In our Sustainability Report 2019, which is based on the internationally recognized standards for sustainability reporting of the Global Reporting Initiative and the German Sustainability Code (DNK), we will disclose again the Group's progress and relevant indicators.

Besides all these positive developments, we also face challenges: In order to live up to our vision as an ethical investor, we will work on integrating our ethical and sustainable investment criteria into all relevant business processes. Another focus for 2020 is to establish a stable sustainability organization in our Operating Units and to further integrate sustainability aspects into our business activities.



## Oiltanking Laid Foundation for Further Growth in 2019

Oiltanking achieved a very satisfactory operating result in 2019, with nearly all regions contributing to this result. The markets were more stable than in the previous year and ensured high capacity utilization at almost all tank terminals. Oiltanking used the year to consolidate its strong market position and develop its Strategy 2025, which stipulates a new regional structure with an even stronger customer focus among other things.



## TANK STORAGE LOGISTICS

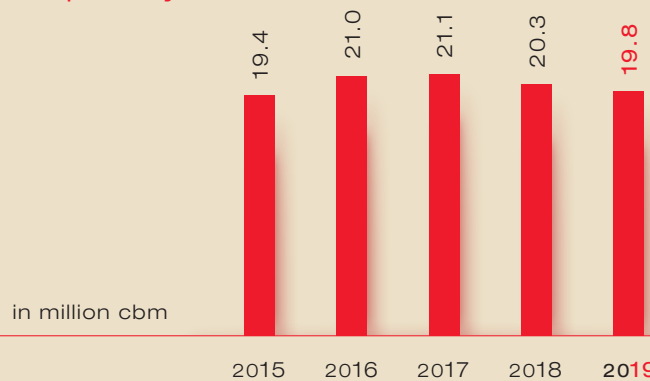


As part of Oiltanking's Strategy 2025, we will continue to grow – also with regard to customer orientation



*Matti Lievonen* (CEO Oiltanking)

Tank Capacity





The global energy markets are in a phase of structural change due to a slowdown in global GDP growth, declining energy consumption, and the energy transition. Oiltanking's Strategy 2025, which was defined and rolled out in 2019, is a response to these changes.

The core elements of this strategy are to maximize the value of existing facilities, to promote profitable growth with a focus on gas and chemicals, and to create the necessary conditions for this, including outstanding safety performance and a stronger promotion of sustainability. The needs of the customers are always at the center of all activities.

As part of the strategy, the organizational structure was changed from eight to three regions – Americas, EMEA and APAC – and a new management team was established. In addition, Oiltanking was refinanced to provide the necessary flexibility for implementing Strategy 2025.

Seen over the year as a whole, the capacity utilization of Oiltanking tank terminals was high almost everywhere. While the demand for tank space for petroleum products developed differently from region to region, but remained at a high level, the high demand for tank space for chemicals slowed down slightly. Demand for tank capacities for liquid-gas products remained strong. In Germany, the EPC contractor qualification for the German LNG tank terminal project in Brunsbüttel was completed, and at Oiltanking Antwerp Gas Terminals, the ground-breaking ceremony for a new propane tank with 135,000 cbm of storage capacity took place. At Oiltanking Singapore Chemical Storage's tank terminal, construction work began on the horizontal propylene tanks, while Phase 1 was commissioned at Jurong Port Tank Terminals, and Jetty 9 went into operation at Oiltanking Nanjing.

All our customers are different  
and have **individual requirements**  
– which is why we offer **flexible,**  
**tailor-made solutions.**



# CHEMICALS

**> 400 million tons**  
worldwide plastics production



Gases like propane and butane are important feedstocks for the chemical industry. For transport and storage they are liquefied by compression or cooling, which reduces their volume by a factor of 260. Oiltanking stores the gases in pressurized and cryogenic tanks from which it supplies the production facilities of its customers, who use them to manufacture the intermediates for plastics production. At the Oiltanking Antwerp Gas Terminal, the world's largest butane tank, with a volume of 135,000 cbm, is currently under construction.

## EMEA

The newly formed EMEA region comprises Europe, the Middle East, and Africa. While the Middle East continues to offer a very dynamic environment for Oiltanking, the picture in Europe is mixed. Demand for storage is declining for some products, while tank capacity for chemicals and aviation fuel is in strong demand. Africa's domestic demand is growing steadily, which leads to increased imports of petroleum products, liquefied gas, and chemicals, among other things. The further development of the EMEA region is positive due to the contango, but will also depend on other factors, especially the further progression of the coronavirus pandemic.

### ▷ Germany, Hungary

Throughput increased significantly compared to the previous year, so that **Oiltanking Deutschland** ended the year with an excellent result. Key contracts were extended and new customers acquired. Key developments included investments in the infrastructure of individual sites, as well as the sale of the Deggendorf tank terminal, and the closure of the Chemnitz tank terminal, both of which were carried out with a view to optimizing the existing network of tank terminals.

**Oiltanking Hungary** achieved excellent results in 2019, having enjoyed good capacity utilization and slightly higher throughputs. All existing customers extended their contracts, so the tank terminal will continue to be well utilized in 2020.

With a view to even better leveraging synergies, Oiltanking Deutschland and Oiltanking Hungary are reporting to Mabanft GmbH & Co. KG since 2020. The integration into the Mabanft Group is a purely organizational change. Oiltanking Deutschland and Oiltanking Hungary will remain independent companies and will continue to do business under their respective names.

We have a strong  
**can-do mentality** and empower  
our employees to make the  
**right decisions.**





**90 million tons**  
of wild fish worldwide per year



**18,000**  
fishing boats in Peru



# FOOD

The fishing industry makes an important contribution to feeding the world population. Almost half of all edible fish are wild fish, most of which are fished from the oceans. Peru maintains the world's second-largest fishing fleet after China, as the South American country's waters are among the richest in fish worldwide. Some 18,000 fishing boats are on the move to catch anchovies, squid and tuna, mackerel and other species of fish for buyers from all over the world. The fuel supply for Peru's fishing fleet is largely provided by the tank terminals of Terminales del Peru.

### ▷ Belgium

**Oiltanking Antwerp Gas Terminals** benefited from rising throughputs and reduced expenses, and as a result achieved results that exceeded expectations. The commissioning of the world's biggest butane tank is now planned for the second half of the year. The 135,000 cbm tank will be used for the import of liquified butane, which is then transported via the Rhine to a cracker plant located in Germany. The construction of another gas tank of the same size for propane storage is progressing according to plan.

**Oiltanking Stolthaven Antwerp** narrowly missed its profit forecast against the backdrop of a mild decline in demand for tank space for petroleum products. In contrast, capacity utilization for chemicals and gas was good. The tank terminal, which is located in a refinery and petrochemicals complex and is one of Oiltanking's largest tank terminals, expects continued good earnings in view of the emerging contango.

**Oiltanking Ghent** was able to extend existing contracts and conclude new ones in 2019. The tank terminal, which is geared to the storage of petroleum products, biofuels and petrochemicals, achieved high capacity utilization throughout the year. Its results clearly exceeded expectations. A similarly good business performance is expected for 2020.

### ▷ Central Europe

**Oiltanking Malta** was confronted with unexpected vacancy levels at the beginning of the year, but these were compensated for thanks to short-term spot contracts in the following months. In the second half of the year, capacities were fully utilized, resulting in a result well over budget. Future developments will also depend to a large extent on the IMO 2020 Regulation and its effects on contract terms.

**Oiltanking Bulgaria** developed well in 2020: In addition to tank storage of sulfuric acid and biofuels, the portfolio has been expanded to include tank space for FAME (fatty acid methyl ester) for a new customer. Despite reduced capacity utilization at times, the tank terminal delivered a good result and is well prepared for future developments.

### ► The Netherlands

**Oiltanking Amsterdam** continued to benefit from its strong position in the ARA region in 2019 with a good, well above-budget result. Oiltanking's biggest terminal worldwide was able to overcompensate for brief downtimes due to maintenance work with high throughputs of gasoline. Ongoing projects, including the maintenance of tanks for the neighboring biodiesel production plant, progressed well. Plans include a further expansion of aviation supply at Schiphol Airport. To this end, several tanks will be rededicated and a new jetty will be built. Commissioning is scheduled for early 2021.

**Oiltanking Terneuzen** experienced a satisfactory business year that ended with a result in line with the budget. The tank terminal, which is located in a large chemicals complex with direct access to key customers, achieved satisfactory to good capacity utilization, with the exception of one major customer, who achieved lower throughput than planned. All other projects developed according to plan, so the outlook is positive.

### ► Nordic Countries

The utilization of capacity for heating oil at the **Oiltanking Copenhagen** tank terminal fluctuated during the year. The other products showed a relatively stable performance, so that results slightly exceeded the budget. All contracts in the jet-fuel segment were renewed. Some of the tanks previously used for heating oil were modified for bunker fuels. Going forward, further diversification is being sought, including into storage and handling for petrol, diesel, and biofuels.

Due to the continuing transit blockade on oil products imposed by Russia and the resulting difficult utilization of **Oiltanking Tallinn's** capacity, Oiltanking decided to sell the tank terminal to an Estonian company in 2019.

Meanwhile, **Oiltanking Finland**, with its sites in Kotka and Hamina, benefited from rising product exports from Russia, which resulted in high demand for tank space. This in turn led to a result that exceeded expectations. In view of the stable capacity utilization, its future prospects are also good.

### ► Middle East

Throughout 2019, **Star Energy Oiltanking** achieved 100-percent capacity utilization in Dubai, with accordingly good results. The tank terminal managed to renew nearly all contracts. The goal for 2020 is to recruit additional customers beyond the existing key accounts, so as to achieve a more balanced distribution of capacities.

**Oiltanking Terminals** in Sohar achieved a good, above-budget result based on solid capacity utilization. Thanks to a comprehensive optimization of the tank terminal, which is also among Oiltanking's biggest, ship-to-ship loading and other services can now be offered as well. The aim for 2020 is to further improve the rates for tank space.

#### ► Africa

Construction of **Oiltanking MOGS Saldanha's** crude-oil tank terminal in South Africa was delayed. The first four of nine underground concrete tanks were completed in spring 2020. The state-of-the-art facility has access to a jetty that can accommodate tankers up to VLCC (Very Large Crude Carrier) class. The first few storage contracts have already been signed and the first product is expected to arrive in mid-April.

**Oiltanking Grindrod Calulo** in Durban, also South Africa, commissioned an additional 10,000 cbm of tank space for vegetable oil in Durban. In Cape Town, a multi-year contract with a major customer for the storage of molasses was renewed at improved terms. The company is also in negotiations for a 10-year O&M (Operations & Maintenance) contract for two other tank terminals in Cape Town and Waltloo.

**Oiltanking Matola** in Mozambique was unable to replicate the previous year's good results. Because some customers terminated their contracts prematurely, capacity utilization in 2019 was unsatisfactory. As the demand for fuel is high in the country itself and in neighboring countries, the terminal expects to achieve better utilization in 2020, also because of the recent contango situation. The acquisition of new customers is one of the company's top priorities.

**Oiltanking Ghana Services** operates a single-point mooring system near Accra in Ghana, including the associated pipeline infrastructure for product import. The 2019 result was above budget. The outlook is also positive.

Around the globe, we store  
more than **500 different products**  
for our customers, **safely**  
and **efficiently.**





oil fields **200 km**  
offshore

**156,000 dwt**  
shuttle tanker

# OIL PRODUCTION

Modern oil extraction is increasingly taking place offshore, in ever greater water depths, far from the coast. For example, Brazil's large oil fields are located up to 200 km off the coast. Here, the product transport by pipeline is not possible. Instead, special shuttle tankers collect the crude oil on FPSO (Floating Production Storage and Offloading) ships. They then discharge their cargo into even larger VLCC-class tankers with a capacity in excess of 320,000 dwt. The safest and most environmentally friendly way for our customers to do this is on the gigantic jetty operated by Oiltanking Açú Servicos in Brazil.



## AMERICAS

The Americas region, consisting of North and Latin America, had an eventful year in 2019. While the slower economic growth of the Latin American countries posed challenges for the Oiltanking sites, Oiltanking tank terminals in the U.S. operated in a positive environment. The further outlook is similar: Oiltanking expects a relatively good performance in the U.S. In contrast, the situation in Latin America, where a struggle for political and economic stability has been ongoing for years, is still considered challenging. However, it remains to be seen how the coronavirus will continue to spread in this region, and the resulting economic consequences.

### ▶ United States

**Oiltanking Texas City** ended the year with throughputs slightly below plan and a good, but lower-than-expected result. In view of the newly concluded contracts for ethanol storage, it looks like capacity utilization will improve in 2020. Several projects are being pursued, including tank storage for LPG and ammonia. In addition, a merger of Oiltanking Texas City and Oiltanking Galveston County into a large tank storage complex with optimized logistics is planned. Once this has been accomplished, Oiltanking will be able to offer its customers an even broader portfolio of services.

**Oiltanking Galveston County** once again achieved good throughputs and correspondingly good results in 2019. Given the high capacity utilization throughout the year, investments in additional tanks and an expanded infrastructure are being considered.

**Oiltanking Joliet** also had a successful year with good capacity utilization and a strong rail business. Due to the closure of a nearby river lock, demand is rising for a further shift to rail. The company expects a similarly good performance in 2020.

### ▶ Argentina

Due to the recession and the resulting decline in demand, **Oiltanking Ebytem** achieved throughputs similar to the previous year's level. However, the fixed exchange rate of the U.S. dollar, with which almost all customer contracts are settled, more than compensated for this, so that the financial year ended with a result well above budget. There are signs of a further expansion of oil production in the Neuquen Basin, an oil shale deposit in central Argentina. This would result in increasing demand for tank space, which would open up new business opportunities for Oiltanking Ebytem as well.

### ► Brazil

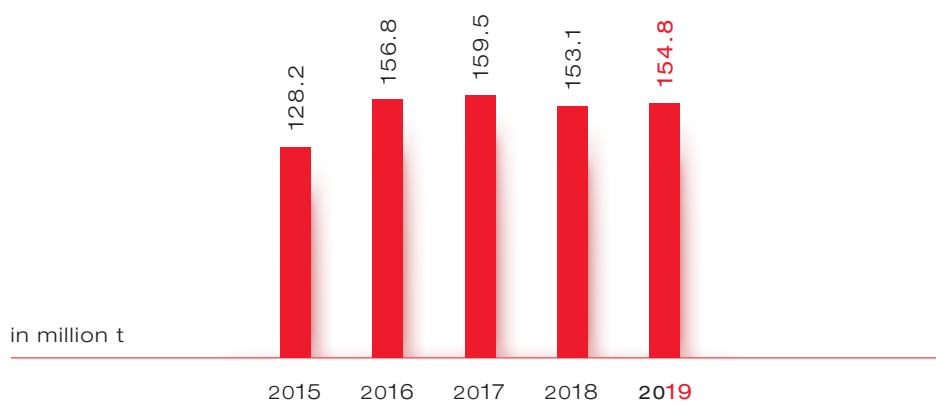
Brazil recorded a further increase in oil production in 2019. **Oiltanking Terminais** benefited from this with full capacity utilization and a good result. The tank terminal is well established in the market and offers customers a broad portfolio of services. For 2020, the terminal expects capacity to remain fully utilized and, based on this, an overall positive business performance.

**Oiltanking Açu Servicos**, which operates a crude oil transshipment facility in the Port of Açu, Brazil, reported its 100<sup>th</sup> ship-to-ship transshipment in November. The facility recorded an overall increase in demand, resulting in a reduction of the previous year's loss. Against the background of an expanded customer base and new contracts, the joint venture is confident that it will soon reach breakeven.

**Oiltanking Açu Petróleo**, an operating company for ship-to-ship transshipments in the port of Açu that is wholly owned by Oiltanking, did well and achieved significantly improved results. The outlook is similarly positive.

**Oiltanking Logistica Brazil**, which operates a tank terminal for bunker oils in the port of Açu under an O&M contract, had better capacity utilization in 2019 and achieved the budgeted result. For 2020, the company expects a further improvement in performance.

## Throughput



### ▷ Central America

**Oiltanking Mexico**, which provides engineering services at two tank terminals and will later operate them on behalf of the owner, was faced with construction delays in 2019. Both the Tuxoan and the Tula tank terminal are scheduled to start operations in 2020.

**Oiltanking Colombia's** tank terminal in Cartagena achieved higher throughputs and 100 percent capacity utilization. In contrast, the Puerto Bahia tank terminal, operated under an O&M contract, recorded a slight decline in throughputs. However, as expenditure was reduced at the same time, the results were in line with expectations. Based on overall strong demand, it look like the company will see a positive performance in 2020.

In Panama, the **Colon Oil and Services** tank terminal recorded 100-percent capacity utilization and achieved a result well above budget. Similarly good results are expected for 2020.

### ▷ Peru

In Peru, the year ended with mixed results. While **Terminales del Peru** was very successful, Consorcio Terminales had to give up five tank terminals in the south of the country after 22 years of operation. The owner wishes to operate them itself in future. This means that Oiltanking in Peru currently still operates eight tank terminals along the Pacific coast. Since customer demand for tank space is generally high, a good performance can be expected for 2020.

**Logistica de Quimicos del Sur**, which stores sodium hydrosulfides in the port of Matarani, achieved good results, slightly below budget. The most important contracts were renewed, so the outlook for the future is positive.

**Oiltanking Andina Services**, which operates the marine platform in Pisco-Camisea, also did well. In 2020, the company expects to win the tender for the operation of the platform.

Our goal is to **prevent**  
all **accidents, injuries**, and  
occupational **illnesses**, and to  
**protect the environment.**



# SUPPLY & TRADING

> **100** oil trading companies  
in Singapore



**25,000** tankers  
call Singapore each year

Fossil fuels are used in many areas, and the demand continues to grow. To do so, they are transported, stored, blended – and traded. A large part of Oiltanking's approx. 20 million cbm of storage capacity is leased to oil traders. Just like our sister company Mabanaft, our customers use the tanks not only for logistical purposes, but also to profit from a contango – a market situation in which the price for future delivery is higher than the current price.

## APAC

The APAC region includes Southeast Asia, China, and India. Singapore continues to be one of the world's major hubs for trade flows and goods handling in Southeast Asia. China experienced slower economic growth in 2019, with a focus on domestic consumption. For the future, several major projects in the energy and chemicals sectors have been announced. The Indian subcontinent once again recorded strong growth. Energy consumption and industrial production are on a constant rise, and with them the demand for storage for petroleum products, chemicals, and liquid gas. The market for chemicals also continues to grow, also resulting in increased demand for storage space. In 2019, Oiltanking once again achieved stable results in the APAC region. Given the contango situation, the outlook for 2020 is relatively good. However, future developments will also depend heavily on the further progression of the coronavirus pandemic.

### ▷ Southeast Asia

Results at **Oiltanking Singapore**, one of Oiltanking's biggest tank terminals, were at a high level based on good capacity utilization, but remained below budget. This was due to backwardation, which resulted in declining storage rates. However, due to the contango that is emerging for 2020 and based on strong demand from customers, the further prospects are good.

The results at **Oiltanking Singapore Chemical Storage** were significantly better than expected. The tank terminal, which in addition to petrochemicals is also geared to the tank storage of lubricants and gas, continued its expansion. The construction of two horizontal tanks for propylene storage is progressing well; they are planned to go into operation in summer 2020. In view of the unchanged high capacity utilization, the overall outlook is positive.

In 2019, **Oiltanking Helios Singapore** was strongly impacted by backwardation and the resulting pressure on margins. The year ended with a disappointing result. Positive developments included the start of construction activities to extend the propylene pipeline, which will connect the tank terminal with the refinery in Singapore. As the market turned to contango at the turn of the year, Oiltanking Helios Singapore expects demand for tank space to pick up in 2020 and earnings to improve accordingly.

The first construction phase of 232,000 cbm of tank storage at **Jurong Port Tank Terminal** was commissioned in April 2019 and has been operating at full capacity ever since. The second construction phase, comprising 326,000 cbm, began in September 2019 and is planned to go into operation in spring 2021.





●  
**200 billion euros**  
market volume cosmetic products

# COSMETICS

The market for care and cosmetic products is growing worldwide. Over 200 billion euros are spent each year on cosmetic products alone. Our customers store some of the ingredients for the production of cosmetics in Oiltanking's chemical tanks, in compliance with strict quality regulations. For example, acetic acid, caustic soda, and propyl alcohol, which is transhipped and stored in Oiltanking tank terminals is used for cosmetics and pharmaceutical products.

**Oiltanking Karimun** in Indonesia achieved good, above-expectation throughputs in 2019. However, higher pilotage fees and repair work on the jetty offset this, so that the results were unsatisfactory in line with the expectations. At the beginning of the new year, the market shifted into contango. Since then, the tank terminal has been fully utilized, at good terms. Given the strong demand for tank space, Oiltanking Karimun expects consistently high capacity utilization and a correspondingly positive result for 2020.

**Oiltanking Nusantara Persada** achieved a good result in 2019. Income for the project management of the construction work in connection with Sangatta Phase 2 had a positive effect. The contract for the operation and maintenance of Sangatta was renewed for another three years. The positive business performance leads us to expect a similarly good result for 2020.

#### ▷ China

Good throughputs and close-to-full capacity utilization contributed to **Oiltanking Daya Bay** achieving excellent results in 2019. Several tanks were used for spot contracts, and new contracts were also concluded, with terms of several years each. The expansion of the tank terminal by seven new tanks is progressing according to plan, with commissioning planned for year-end 2020. The overall outlook for 2020 is positive, and Oiltanking Daya Bay expects another good result

Thanks to high capacity utilization, **Oiltanking Nanjing's** results were also excellent, and significantly higher than expected. Positive developments include the commissioning of 40,000 cbm of additional tank storage capacity and the completion of another jetty. The tank terminal is pursuing the goal of achieving high capacity utilization at good terms in 2020 as well.

**Daya Bay Public Pipe Rack Company**, which operates pipelines in the Daya Bay Petrochemical Park, achieved good results once again. In a bid to meet increasing demand, the pipeline network was expanded at the end of 2019. The overall outlook for 2020 is positive, and Oiltanking Daya Bay expects another good result.

#### ▷ India

In 2019, **IOT Infrastructures and Energy Services** further developed its activities towards a predictable and stable business. Nearly all of its EPC projects that involved a high financial risk were terminated, thereby minimizing future risk. In a market characterized by growth, the individual sites achieved good results.

In Goa, two multi-year contracts were successfully renewed, while the Raipur site began storing and transshipping jet fuel.

The tank terminal in Navghar, which is located not far from the metropolis of Mumbai, was able to conclude an extensive contract with a petroleum corporation, for the storage of light petroleum products.

At the Jawaharlal Nehru Port (JNPT) site, the contract for the operation and maintenance of the facility was renewed for another five years.

In Paradip, the refinery achieved its highest annual throughputs to date. Also, at the BOOT (Build-Own-Operate-Transfer) facility in Paradip, the first few tankers were loaded with propylene.

Given its adjusted portfolio and high demand from customers, IOT Infrastructures & Energy Services expects the individual sites to continue their positive performance in 2020.



## OUTLOOK

The markets for energy and chemicals will continue to change rapidly in 2020. Structural transformation and digitalization, but also the consequences of the coronavirus crisis, which are already beginning to be felt, are just some of the developments that will affect both the global economy in general and Oiltanking in particular. However, the company expects that the contango situation that has existed since the beginning of 2020 will also generate some positive developments in the tank storage sector as well.

In the gas sector, Oiltanking expects demand for tank space to continue to grow. The same goes for chemicals. Petroleum products will continue to be an integral part of the global energy mix, but their share will tend to decline as electromobility and the use of renewable energies increase. This will be accompanied by a continued decline in demand for tank space for petroleum products. The company is closely monitoring these market changes and is positioning itself accordingly as part of its portfolio management.

In 2020, Oiltanking will focus on implementing Strategy 2025 and achieving its ambitious growth targets. Strategy 2025 paves the way to a competent and financially strong Oiltanking organization that operates safely at all locations worldwide and employs talented and committed people. All activities are focused on customers and their respective requirements.





## Mabanaft – Successful in All Trading Segments

The Mabanaft trading group operated successfully in 2019 and significantly increased its overall result compared to the previous year. Trading & Wholesale achieved a good result thanks to successful wholesale activities, especially in biofuels and marine fuels. The end-consumer business continued to expand and made a strong contribution to earnings. The bunker business was further reduced, with the remaining units achieving an excellent result.



## TRADING

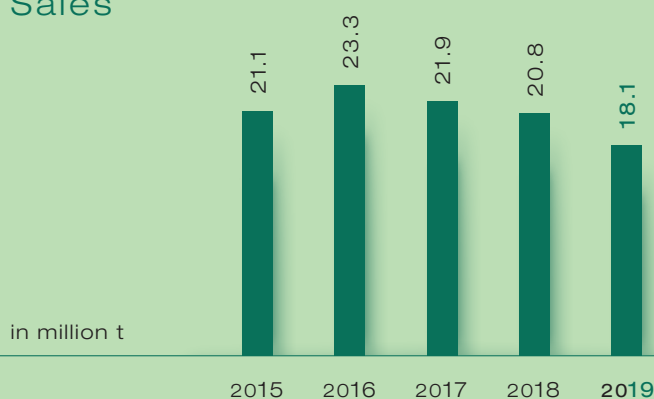


Mabanaft's goal besides its strong business in Europe is to further expand its global business – for us and for our customers



*Timothy Bullock (CEO Mabanaft)*

### Sales



The oil markets remained unstable in 2019; trade tensions between the U.S. and China reduced trade flows and dampened the growth of oil demand from industry and the transport sector. On the supply side, continuous increase of U.S. crude and natural gas liquids (NGL) production was offsetting the Organization of Petroleum Exporting Countries (OPEC) and allies' efforts to balance the market. Both factors kept the average Brent futures price in 2019 lower than the previous year.

Overall, the market was characterized by oversupply, but events like the drone attacks on Saudi Arabian refineries, the geo-political tensions in the Middle East, the contaminated crude flowing into Europe via the Druzhba pipeline, and tightening regulations (greenhouse gas savings quotas and lowered sulphur content limits in marine fuels), created short-term volatility, which while challenging also posed opportunities for Mabanaft and drove performance.

In this ever-changing market environment, the Mabanaft companies successfully stood their ground and achieved good results. In 2019, the group sold a total of approximately 18.1 million tons of petroleum products, biofuels, gas, and other energy products.

## MABANAFT TRADING & WHOLESALE

Mabanaft has Trading & Wholesale operations in Germany, the U.K., Hungary, Singapore, and the U.S. The overall result for this business area was good, but on an entity level the results were mixed. A focus in 2019 was to grow the Singapore and U.S. trading functions, which benefitted the trading teams in Germany, Mabanaft's largest market.





# MOBILITY

580 Mabanft  
stations

308 million  
Motor vehicles in Europe

Road transport plays an important role in the mobility of our society. In Europe alone, 308 million motor vehicles are registered: buses, cars, motorcycles, vans, tankers and trucks. At present, all transport is based almost entirely on fossil fuels with biogenic components. This fuel is also supplied by the 340 OIL! service stations in Germany, Austria, Switzerland, and Denmark as well as around 240 pool filling stations of Petronord.

## ▷ Germany

**Mabanaft Deutschland** ended 2019 with an excellent result that was significantly above expectations.

This performance is all the more gratifying as the market was tense, characterized by only marginal economic growth and a continuously changing energy mix in the course of the energy transition. E-mobility is not yet a serious competitor, but its market share will gradually grow. At the same time, regulations to reduce CO<sub>2</sub> emissions continue to tighten.

In this challenging environment, Mabanaft Deutschland operated successfully. The international trading business doubled its sales volume, and wholesale trading made a strong contribution to the result with a solid performance and strong sales of biofuels and heavy fuel oil. Tight supply and strong demand following the increase in European blending obligations was behind the increase in biofuels wholesale, while stable industrial business and improved demand related to the upcoming changes to the sulphur content regulations for marine fuels underpinned the heavy fuel oil result.

The online platform MabaLive, which was launched in Germany during the fall, was very well received by the customers. Mabanaft Deutschland is the first mid-sized distributor in the German market to offer its customers a way to order online in this form, including price trend overviews and live prices at the various storage locations.

For 2020, Mabanaft Deutschland expects to see returns from the growing international trading footprint and the investments made in the Singapore and Houston trading operations. Improved information flows between the international trading teams will further benefit the trading activities. A further increase in sales volumes is expected based on the contracts concluded in late 2019. The favorable refinery contracts and the biofuel quota will also have a positive effect, although the availability of bio-blending components and blending infrastructure will be challenging.

We supply our customers  
with **high-quality products** and  
**comprehensive services.**





# HEATING

● **25 percent**  
of private households in Germany  
use heating oil

In winter, it's hard to beat the coziness of a well-heated house. Many energy sources can be used for heating purposes: heating oil, kerosene, natural gas, coal, wood pellets, or electricity and district heating. Mabaft, via the affiliated companies of Petronord Group, reliably supplies energy to both private households and commercial customers in Germany, Austria, United Kingdom, and Sweden – mainly with heating oil.

New customers were acquired in 2019, and all major contracts were extended, which paves the way for further growth in 2020.

In line with the objective of making even better use of synergies between Mabanaft Deutschland and Oiltanking Deutschland and Oiltanking Hungary, both tank terminal companies have been reporting to Mabanaft GmbH & Co. KG. since 2020. The integration into the Mabanaft Group is an organizational change; both companies will remain independent and continue to operate under their respective names.

### ► Singapore

**Mabanaft Pte.** was faced with strong competition again in 2019, a year that was characterized by altered trade flows due to global trade disputes. This led to a slightly negative result.

Oil demand slowed, while LPG continued to be in high demand. The IMO 2020 regulation led to fluctuations in fuel oil premiums and a subsequent shift in demand for marine fuels to other regions.

Mabanaft Pte. recorded only a slight decline in sales volumes, and managed to almost fully compensate for the loss of volume resulting from the withdrawal from the bunkering business. While the middle distillate books suffered from price developments due to the pipeline contamination in Europe and the drone attack in Saudi Arabia, LPG's result was significantly better than budgeted.

The trading team focused strongly on arbitrage transactions with cargos to Europe and the establishment of a physical platform in Southeast Asia, which resulted in a sharp increase in the volume of middle distillates.

In 2020, Mabanaft Pte. will concentrate on further expanding its physical middle distillates business, with a strong focus on both the regional and global books.

In all our **activities**, we are  
committed to **minimizing** our  
**ecological footprint.**





# AGRICULTURE

**3 liters**  
diesel/t wheat



**800 liters**  
tank capacity



In agriculture, the harvest season is the busiest time. All work has one goal: to bring in the agricultural products at the right time, swiftly and without wastage. A wide variety of harvesting machines are used, from combine harvesters to beet lifters. They all need diesel fuel, but cannot simply drive to the nearest filling station to fill up their large tanks. Petronord supports farmers by refuelling on the field, in compliance with all environmental and safety regulations.



## ▷ USA

2019 was the first full financial year for **Mabanaft Energy Trading**. The oil markets started the year on an upward trend, which reversed during the second half. For this reason, and because the company was still in the start-up phase, results did not exceed expectations.

Nevertheless, Mabanaft Energy Trading benefited from the trading opportunities created and used the year to position itself along the U.S. Gulf Coast and in the New York markets.

The company is optimistic about future developments in the middle distillate market, and also expects good trading opportunities in view of the new IMO 2020 regulations. Beyond this, Mabanaft Energy Trading plans to expand its footprint to the Midwestern U.S. and Latin America.

## ▷ United Kingdom

London-based **Mabanaft Ltd.** continued to face a complex market situation in 2019. The Brexit negotiations led to a high degree of uncertainty, and as a result consumer confidence and the overall economic outlook declined. In a market characterized by oversupply and extremely low margins, Mabanaft Ltd. ended the year with a loss, mainly due to market events in aviation supply.

Meanwhile, the company was successful in many areas, and overall sales volumes increased year on year; the jet fuel segment was further expanded and now accounts for a third of total sales volume.

By the end of the year, Mabanaft Ltd. was supplying jet fuel to 14 airports. In addition to twelve airports in the U.K., including London Gatwick, Mabanaft Ltd. is also responsible for supplying Denver and Miami airports in the U.S. in collaboration with its Houston-based sister company Mabanaft Energy Trading. The company continues to look for opportunities to expand into new aviation markets, while exiting unprofitable locations, as the jet capabilities strengthen.



Furthermore, Mabanaft Ltd. ventured into the truckstop business in the summer of 2019 in order to grow its retail presence by leveraging the existing supply network and the existing fuel-card operations.

Given its stable portfolio, Mabanaft Ltd. is optimistic for 2020. Among other things, the focus will be on expanding the retail segment; continued expansion of the truckstop business is a good opportunity for growth in this market. Another focus will be on the jet fuel trade and on the opportunities arising from the changes in the biofuels legislation. It remains to be seen to what extent Britain's withdrawal from the European Union will affect the economy as a whole.

The Weston-super-Mare-based trading company **B.W.O.C.** had a challenging but successful year. The company was able to consolidate and expand its market position. At year-end, the result was significantly above the previous year.

The LYNX Fuels retail brand, which was only introduced a few years ago, continued to establish itself and nearly doubled its earnings year on year. In the fuel-card business, volumes rose slightly, while profitability increased significantly.

The company's future development will depend partly on Brexit's effects on the UK economy. However, B.W.O.C. continues to maintain a strong position within its market sector and has the flexibility within the organisation to take advantage of any arising market opportunities.

### ► Hungary

The trading team at **Mabanaft Hungary**, operating from Budapest, had another good year in 2019, which ended with an excellent result.

Mabanaft Hungary was able to increase its sales volumes to a new record level, while margins remained largely stable. The company benefited from the sustained growth of the Hungarian economy, although currency effects had a negative impact to some extent.

Mabanaft Hungary is optimistic about future business development. The primary goal is to win new customers and franchise partners so as to further expand sales volumes and the OIL! service station network. One of the upcoming challenges will be to meet the increasing biofuels obligations.



## MABANAFT RETAIL

In the retail consumer segment, Mabanaft did business through its subsidiaries Petronord, OIL! service stations and Thomas Silvey in 2019. The activities are concentrated in Germany, Austria, Switzerland, Denmark, Sweden and the United Kingdom. Due to a lack of prospects, Mabanaft withdrew from Moldova in the fall of 2019 after 19 years. In the other countries, however, the retail companies were very successful.

### End-consumer Business

The **Petronord Group** continued its growth course and ended 2019 with an excellent result. At year-end, the group had 35 associated companies. The focus of its business activities is the retail and wholesale business with energy products, including the filling-station business for all aspects of commercial road transport.

2019 saw good developments in all segments; the heating oil business developed well with adequate margins, while lubricant sales were confronted with aggressive pricing policies.

The pool service stations were very successful and achieved high sales growth. The bitumen business also reported growth and a good result.

At the beginning of the year, the existing network in Germany was expanded to include a petroleum-trading company based in North Rhine-Westphalia. Furthermore, another two companies were added to the Petronord Group in Sweden, so that the Swedish network now comprises five companies.

With regard to the further developments, the Petronord Group is optimistic and aims for continued growth in all segments. The trading activities in Sweden are also to be further expanded.

We strive for **long-term partnerships**  
and have worked with many of our  
customers **for decades.**



30 cm  
● asphalt surface

●  
Installation temperature  
above **110°C**

# ROAD CONSTRUCTION

Bitumen is suitable for a wide range of applications: road construction, roof waterproofing, construction chemicals, printing inks, and other industrial applications. The lion's share of bitumen production, 80 percent, is used for road construction. For this purpose, minerals are added and the asphalt mix is applied in layers by a road paver, at over 110°Celsius. Nordbit, a company belonging to Mabanaf, supplies road construction companies, among others.

### ▷ United Kingdom

The Bristol-based trading company **Thomas Silvey** achieved an excellent result in 2019. Record returns were achieved in the fuel-card business, significantly exceeding the previous year's result. The divestment of the bulk sales and AdBlue units towards the end of the year generated an extraordinary profit, which will be used to further expand the fuel-card business.

As in previous years, Thomas Silvey operated very successfully in a highly competitive environment marked by uncertainty due to the pending Brexit.

Going forward, Thomas Silvey will concentrate on its core business – marketing fuel cards – and continue to develop the fuel card business into a broader fleet mobility solutions business. The company is confident that it will be able to achieve a good result in 2020 as well.

## Service Stations

The **OIL! Tankstellen** organization saw another year of success in 2019, ending with an excellent result. During the year, twelve new locations were added to the network so that by the end of the year approximately 340 OIL! stations were operating in Germany, Austria, Switzerland, and Denmark.

Sales volumes were at a very high level, partly due to the expanded service-station network, and exceeded the volume targets, while margins were also very good. The shop business once again made a strong contribution to the overall result, which exceeded the 2018 result.

To be fit for the future, OIL! invested in a new fuels pricing system, a new platform for the [f+f] fuel cards, as well as a new asset and operational management tool. In addition, investments were also made in expanding the AdBlue pump stations and modernizing sites.

The re-building of the service-station network – including the introduction of a new corporate identity – will further strengthen OIL!'s positioning in a highly competitive market.

Looking ahead, the company continues to operate in a challenging market where margins can quickly come under pressure. New EU regulations regarding emissions and CO<sub>2</sub> will also affect the business. The energy transition will require flexibility and investments to remain an attractive market partner for customers.





**53,629** cargo vessels  
worldwide



**13,870** standard containers

# SHIPPING

About 90 percent of global trade takes place by sea. A fleet of 53,629 merchant vessels – including tankers, bulk carriers, car carriers and container ships – connects countries and continents. The largest container ships are up to 400 meters long and can carry over 23,000 standard containers. The fuel tanks are also gigantic, holding up to 6,000 tons. The marine fuels are traded by Mabanaf Deutschland, among others.

### ▷ Moldova

In view of the difficult and unstable situation in Moldova, which has persisted undiminished for years, Mabanaft Moldova sold its stake in Tirex Petrol in the autumn of 2019. This entailed a complete withdrawal from the country.

## BUNKERING

The difficult conditions in the international shipping markets persisted in 2019. The bunkering market continued to be characterized by fierce competition. The imminent changes to the IMO regulations in 2020, which stipulate a global reduction of sulfur content in marine fuels to 0.5 percent, created disruptions in the market, but also offered opportunities.

In this challenging environment, Bomin continued to scale back the business. Activities in the German market, which were handled from Hamburg, were terminated in the first half of the year. At the last remaining site in Houston, TX (U.S.), Bomin was able to take advantage of the opportunities arising in the bunker market and ended the year with an excellent result, three times higher than budgeted.

## CHEMICALS

In December, Mabanaft entered into an agreement to become ammonia offtaker and operating partner in Gulf Coast Ammonia LLC, a special purpose entity owned and controlled jointly by Mabanaft 31 percent and a partner (a subsidiary of the Star Energy Group).

Gulf Coast Ammonia has commissioned the construction of a state-of-the-art ammonia production plant in Texas City, USA with an annual capacity of approx. 1.3 million tons, scheduled to start operations in 2023.





This is a major step for Mabanaft to diversify its portfolio in the growing chemical markets in line with the new group strategy, and complements the company's existing liquefied gas trading activities. In addition, sister company Oiltanking North America will own and operate the marine facilities.



## OUTLOOK

In the face of many imponderables, the energy markets will remain volatile in 2020. The greatest uncertainty currently arises from the coronavirus crisis and its global spread. The first significant effects on society and the economy are already becoming apparent. In addition, there are the trade conflicts between the United States and China and the United Kingdom's withdrawal from the European Union.

The changing energy mix and the tightening legislation to reduce CO<sub>2</sub> emissions – such as the IMO 2020 requirements for bunker fuels and the biofuel quota law in Germany – will also have an impact on the trading business. Even if electric vehicles are not having a direct effect on Mabanaft's markets at this time, e-mobility is becoming an increasingly important topic. Furthermore, the unpredictability of weather conditions will also have an impact on the energy markets.

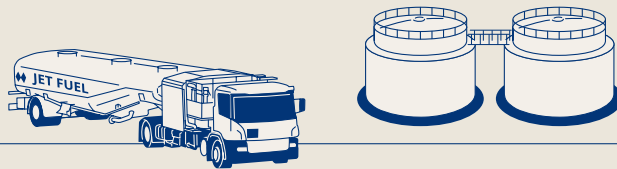
Despite these uncertainties, Mabanaft is optimistic about the future. As an international trading company with hubs in Germany, the United States, United Kingdom, and Singapore, Mabanaft focuses on further diversifying its portfolio. In addition to trading in petroleum products, biofuels and renewable energies, Mabanaft is increasingly active in the gas business. Initial activities are also being developed in the chemical industry.

# Skytanking



## Skytanking Continues Its Expansion Course

2019 was a year of strong growth for Skytanking. The company successfully entered the market in the U.S. and Spain, and several new locations were added in India. However, these investments had an impact on earnings, which accordingly were down year-on-year as expected.



## AVIATION FUELLING

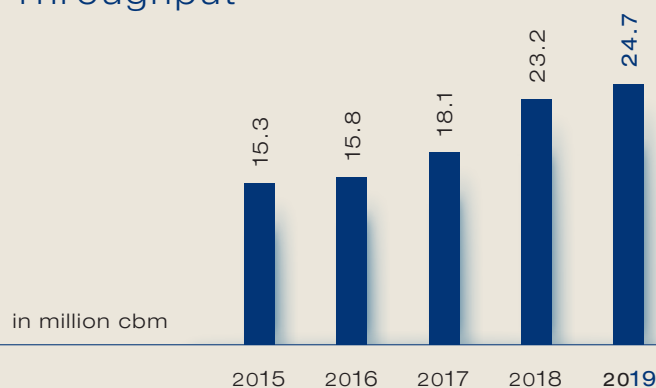


We want to be the best aviation fuelling company in the world – that is both our claim and our aspiration



*Gerard Reumer* (CEO Skytanking)

### Throughput





The aviation industry continued to grow in 2019, but at a slower pace. Around 4.6 billion passengers were handled worldwide, up six percent from the previous year. In the cargo business, transport volumes stagnated in many places due to the slowdown in economic growth, and trade tensions between the U.S. and China.

Skytanking pursued the further expansion of its network in 2019. In global terms, 16 new locations were added: two in the U.S., four in Spain, and ten in India. By the end of 2019, Skytanking had operations for its customers – airports, airlines, oil companies – at 83 airports worldwide. Over the course of the year, the company refuelled around 2 million aircraft and handled 24.7 million cbm of jet fuel.

A central theme in 2019 was improving HSSE performance (Health, Safety, Security & Environment). Various courses and training sessions resulted in a significantly improved HSSE performance, which is to be continuously enhanced.

In 2019, Skytanking also defined its strategy for the next ten years in “Uplift 2030.” Its ambition is clear: Skytanking aims to position itself as the world’s most admired and successful aviation fuelling company. To this end, Skytanking will build a strong brand in aviation fuel distribution and advocate for the highest safety standards, operational excellence, and innovation.

## EUROPE

### ▷ **Germany, Switzerland, Austria**

As in previous years, the GSA region saw strong growth. A rising number of aviation fuelling operations and a rise in throughput volume led to a good result.

The market grew overall, despite the insolvency of a well-known German airline. Only in the last quarter were the figures slightly lower year-on-year. In an overall positive environment, Skytanking was able to renew most of its contracts on identical or better terms.



A police helicopter with 'POLIZEI' written on its side is hovering in the sky. A rescue worker is standing on the helicopter's landing platform, and another worker is being lowered by a rope from the helicopter. The background shows a clear blue sky and snow-capped mountains.

7.6 m/s  
rate of climb

# SEARCH & RESCUE

272 kg  
tensile load

Helicopters can climb vertically, rotate around their own axis, and stand still in mid-air. This makes them extremely flexible. During search and rescue missions, they bring doctors and helpers to the scene of an accident in the fastest possible way. Police helicopters are used not only for rescue operations but also for fighting crime and monitoring traffic. Skytanking refuels helicopters in Munich and at other places in its worldwide network.





It is pleasing to note that Hamburg Airport, which over the last few years has faced strong competition, achieved a turnaround and delivered an improved result.

The sites in Austria and Switzerland – Vienna, Linz, Klagenfurt, and Zurich – had a good year. For the coming year, Skytanking expects a lower activity level in Zurich than in 2019.

Despite the overall strong market position in the DACH region, Skytanking expects a significant decline in business in 2020 due to the coronavirus crisis.

The company is optimistic about its long-term development in GSA, especially since it has a strong market position at its existing sites. Furthermore, the network is growing: Berlin Brandenburg Airport is scheduled to open in fall 2020; Skytanking holds an aviation fuelling license there and is preparing to start operations.

#### ▷ **Belgium**

At Brussels Airport, a central European air traffic hub, Skytanking's subsidiaries **Skytanking NV**, which offers into-plane services, and **Hydrant Refuelling System NV**, which operates the on-site tank terminal and hydrant system, achieved good results.

One of the highlights was the signing of an additional contract for aviation fuelling services that will take effect in 2020. Against this backdrop, and also in view of the stable positions of both subsidiaries, the outlook remains good.

#### ▷ **Luxembourg**

Skytanking is represented in Luxembourg, an important cargo-handling hub in Europe, with **Luxfuel SA**, a company in which it owns a 30-percent stake. The company is currently the sole provider of into-plane services and tank terminal operations and achieved a good result in 2019.

The outlook for 2020 is also positive, as the existing contract is expected to be renewed for another three years. When the new tank-terminal and aviation-fuelling facilities start operating in a few years' time, one or more competitors can be expected to enter the market.



**345 tons**  
payload



**1,220 cbm**  
max. cargo space



# AIR CARGO

Airplanes are also important for the transport of goods. Air freight accounts for 40 percent of world trade based on total value of goods, but only 1 percent in terms of weight. The Antonov An-225 stands out with its payload of 345 tons. It is literally one-of-a-kind and its 6 engines make it the largest and heaviest aircraft in the world. Skytanking also refuels cargo aircraft for its customers at many of its locations. The An-225 was once refuelled in Luxembourg using four fuelling trucks.



### ▷ France

In 2019, Skytanking achieved satisfactory results at Paris-Charles-de-Gaulle Airport, currently Skytanking's only location in France and a major European hub

The existing operating contract is expected to be renewed for another two years, but in view of the coronavirus crisis, it remains to be seen how the coming months will develop. Skytanking will continue to scout for opportunities to expand its network in France.

### ▷ Spain

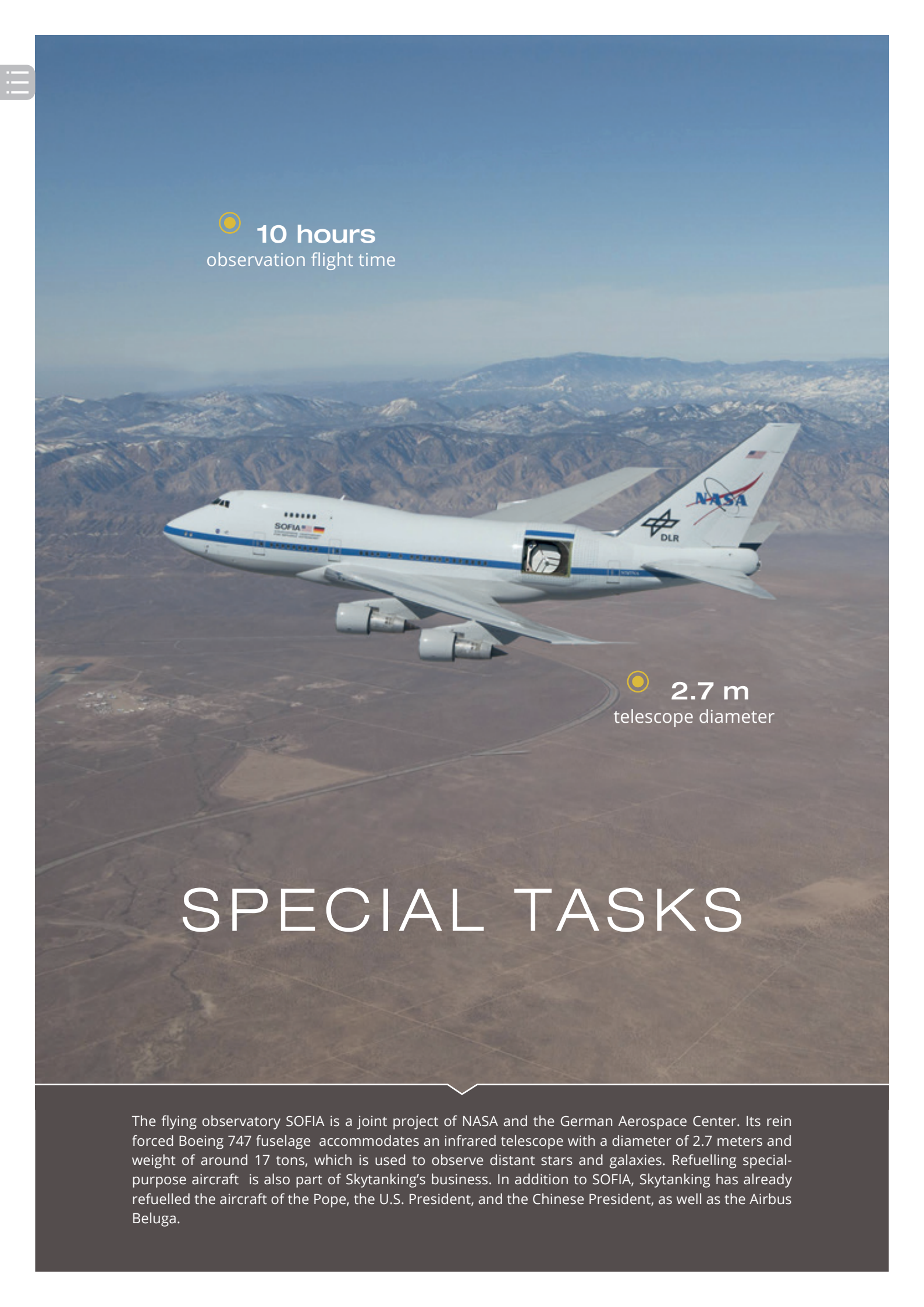
The market entry in Spain in 2019 was an important highlight for the Skytanking Group. **Skytanking Spain S.L.U.** started operations at four strategically important airports. Given the start-up costs, however, the result in the new country was negative, as expected.


After the start-up of operations in Barcelona in April and Valencia in May, Malaga and Palma de Mallorca followed at the beginning of November. The delayed commissioning of the operations at the last two airports was on request of the local authorities and caused the throughput for the year in Spain to be lower than anticipated. This will be corrected in 2020 when Skytanking plans to add one more location to this new network. However, developments in Spain in 2020 will also depend to a large extent on the further course of the coronavirus crisis.


### ▷ Italy

**Skytanking S.R.L.**, which offers aviation services at Rome-Fiumicino, Naples, Palermo, and Venice, had a challenging year. The Italian into-plane market has developed into a highly competitive environment with strong pressure on operating margins. Against this background, the annual result was disappointing, despite a successful turnaround program which was executed in 2019 and has led to significant cost savings.

Skytanking will continue its efforts to consolidate its business in 2020 by participating in tenders for aviation fuelling at new airports, and by providing operation and maintenance services for tank farms at airports. However, further developments remain to be seen in view of the coronavirus crisis.



 **10 hours**  
observation flight time

 **2.7 m**  
telescope diameter

# SPECIAL TASKS

The flying observatory SOFIA is a joint project of NASA and the German Aerospace Center. Its reinforced Boeing 747 fuselage accommodates an infrared telescope with a diameter of 2.7 meters and weight of around 17 tons, which is used to observe distant stars and galaxies. Refuelling special-purpose aircraft is also part of Skytanking's business. In addition to SOFIA, Skytanking has already refuelled the aircraft of the Pope, the U.S. President, and the Chinese President, as well as the Airbus Beluga.





▷ **Malta**

As the sole independent into-plane service company at Malta Airport, **Skytanking Ltd.** had a satisfactory year taking into consideration that it has to compete with the national oil company. In 2019, air traffic increased slightly, which had a positive effect on the result.

2020 will be a crucial year for Skytanking on Malta, as its future will depend on whether a new fuel supplier can enter the market as an alternative to the national oil company.

▷ **United Kingdom**

The joint venture **North Air**, operating at 19 airports in the U.K., achieved good throughputs and positive results at all sites.

North Air has a strong market position and expects to maintain its results in 2020 despite effects related to Britain's exit from the European Union.

▷ **Turkey**

**Skytanking Ovenon**, a joint venture that operates at 20 airports in Turkey, had a challenging year in 2019. Geopolitical developments, economic uncertainties, and high inflation negatively affected the local aviation industry. As a result, throughputs volumes were lower than in the previous year. This resulted in an unsatisfactory result at year-end.

Skytanking Ovenon expects the challenges to continue in 2020, so that the Skytanking Excellence Team will focus on optimizing operations at the various airports within the Turkish network.

We are committed **to our customers**  
– airlines, airports, fuel suppliers –  
and deliver **services at the highest level.**



average supply per fuelling  
**10,550 liters**

# TRAVEL

**171 million**  
air passengers/year in India

Airplanes connect people and markets worldwide. In 2019, more than 4 billion passengers were transported by air, including around 171 million on domestic flights in India, which has the third-highest passenger volume after the U.S. and China. IndianOil Skytanking is active in the aviation fuelling sector at 20 locations on the Indian subcontinent. On a global scale, Skytanking refuelled an aircraft for its customers every 15 seconds on average.



## INDIA

The Indian subcontinent is one of the world's most important growth markets, and this is true for aviation as well. **IndianOil Skytanking (IOSL)** was very successful in 2019 and added ten locations to its network. These start-ups had a slight negative impact on the results which remained very satisfactory.

Together with the ten new locations, IOSL now provides O&M services at 17 airports and is active at a total of 20 locations.

According to IATA (International Air Transport Association), India will continue to be one of the largest aviation markets worldwide. Given this forecast, IOSL is pursuing further growth. In particular, improving profitability will be a central focus for the company in 2020.

It also remains to be seen to what extent the coronavirus pandemic will affect the aviation industry in India and worldwide.

## SOUTH AFRICA

**Skytanking Calulo**, which provides aviation fuelling services at King Shaka International Airport in Durban, increased volumes compared to the previous year despite a very difficult economic environment in South Africa.

For 2020, a similar development is expected.

**Always on time, and  
safety first** in everything we do  
– that is what drives us.



## USA

Skytanking entered the U.S., the world's largest aviation market, by starting up operations at two airports. As expected, **Skytanking North America's** result for 2019 was negative due to start-up costs.

Following the launch in Atlanta in February 2019, the company also began aviation fuelling in Philadelphia in May.

The further outlook will depend on what effects the coronavirus crisis will have in the medium and long term. Based on the good development in Atlanta and Philadelphia, Skytanking plans to expand its network through organic growth and the acquisition of suitable targets.



## OUTLOOK

The aviation industry is particularly affected by the global spread of the coronavirus. Since March 2020, air traffic has undergone a progressive and significant reduction, and the situation is correspondingly difficult for Skytanking. It is unknown how long this situation will continue.

The company responded immediately and has adapted its cost base to the new reality. It is essential to the recovery and future success of the global aviation industry that airlines, airports, and service providers such as Skytanking work closely together.

Skytanking is fully engaged and works closely with its stakeholders to cope with these challenging times.





## GMA Has Another Good Year

Gesellschaft für Mineralöl-Analytik und Qualitätsmanagement (GMA) developed well in 2019 as expected, and achieved a good annual result. Both sites – the fuel analysis testing laboratory in Frankfurt and the quality management and consulting unit in Hamburg – delivered a positive business performance.



**10 parameter**  
per special analysis

# RELIABILITY

In critical infrastructure buildings – hospitals, airports, server farms, banks – emergency power generators are used to reliably supply electrical energy in the event of a power grid failure. These are large diesel generators with long storage periods of the fuel. Therefore, they should ideally be operated with specially additive, standardized sulfur-free heating oil. On behalf of one customer, GMA's testing laboratory uses special analytics to analyze the quality of these fuels for many companies.



During the course of the year, more than 10,000 samples of fuels and blended components of organic origins were analyzed for sister companies and external clients. Sales of fuel and fuel additives were similarly successful.

Other ongoing activities include participating in national and international standardization committees and helping to further develop product standards and lab-testing procedures.

Since 2019, the company has also been involved, as an associated partner of a consortium, in a research project that aims to achieve sustainable mobility with synthetic fuels.

Training activities and lectures on current topics in the petroleum industry rounded off the company's range of services.

GMA expects a similarly good business performance for the year 2020.

**Precision** is the most important  
criterion for our **quality analysis**.  
Everything we do must meet the  
**highest standards**.



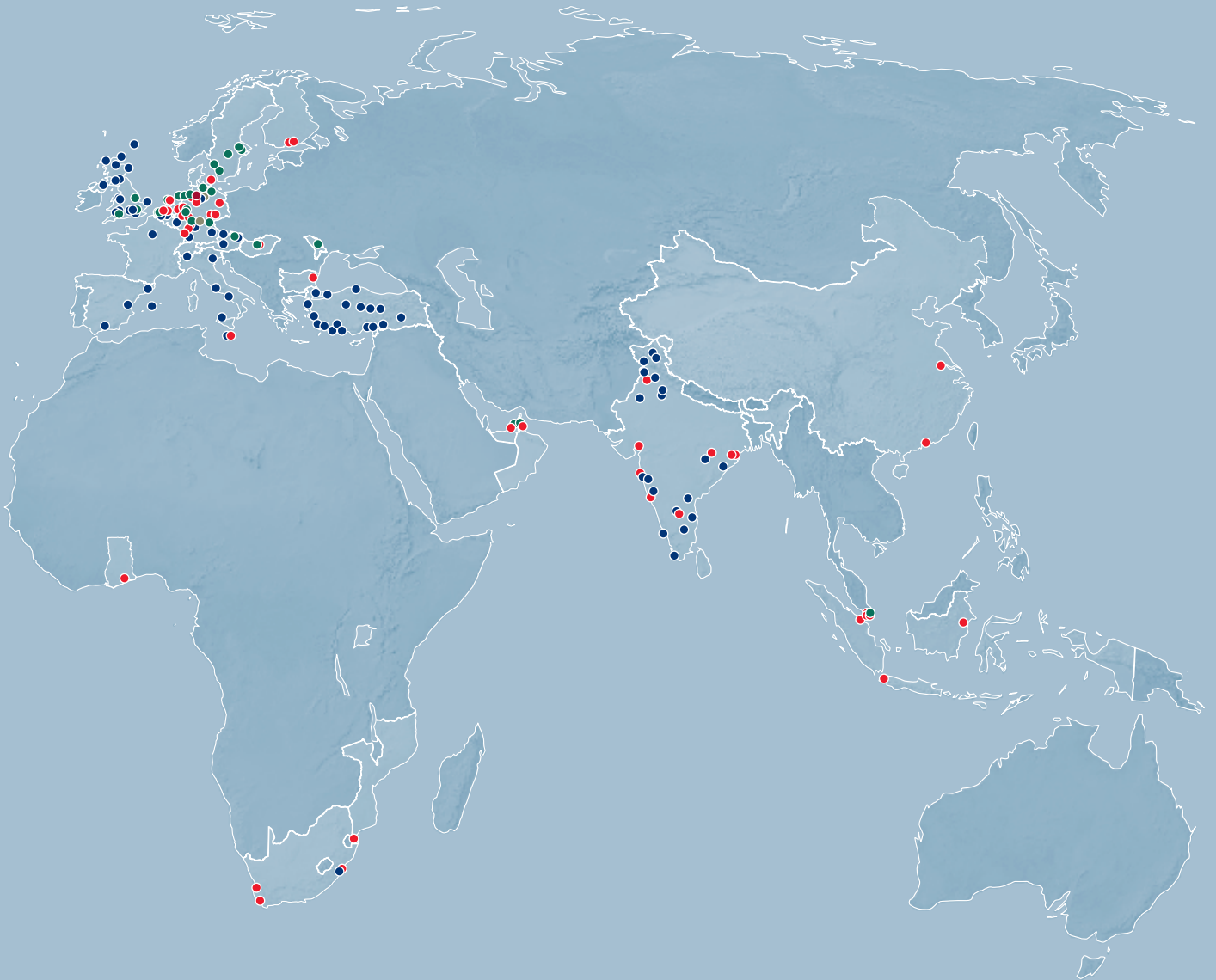
# SITES WORLDWIDE



- Marquard & Bahls
- Oiltanking
- Mabanft
- Skytanking
- Other



Holding  
Marquard & Bahls



As of: December 31, 2019



## REPORT OF THE SUPERVISORY BOARD

During the 2019 financial year, the Supervisory Board was informed regularly by the Executive Board both in writing and orally about the state and development of the company, the Group companies, and their shareholdings. The Supervisory Board discussed all substantial issues with the Executive Board.

The auditing firm KPMG AG Wirtschaftsprüfungsgesellschaft audited the financial statements, as well as the report on the state of affairs of the company, and issued an unqualified audit opinion. The consolidated financial statements and the report on the state of the corporation and the Group were issued in a joint audit by KPMG AG Wirtschaftsprüfungsgesellschaft. It issued an unqualified audit opinion. The financial statements, the consolidated financial statements, the report on the state of the company and of the Group, and the auditors' reports, were submitted and explained by the auditors to the Supervisory Board. After having conducted its own review, the Supervisory Board had no objections and approved the results of the audit.

The Supervisory Board also approved the financial statements, the consolidated financial statements, and the report on the state of the company and of the Group at its meeting on May 12, 2020. The financial statements have thus been approved. The Supervisory Board concurs with the Executive Board's dividend proposal.

Hamburg, May 12, 2020

Daniel Weisser  
Chairman of the Supervisory Board



# CONSOLIDATED FINANCIAL STATEMENTS 2019

Consolidated Statement  
of Financial Position

Consolidated Statement  
of Comprehensive Income

Auditor's Opinion

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December, 2019

## Assets (in k€)

### A. Non-current assets

I. Intangible assets	179,694
II. Tangible assets	3,219,217
III. Investments accounted for using the equity method	347,303
IV. Other investments	29,221
V. Deferred taxes	32,475
VI. Non-current receivables and other assets	20,765
VII. Derivative financial instruments	6,836
	<b>3,835,511</b>

### B. Current assets

I. Inventories	
1. Inventories, raw material and supplies	2,498
2. Inventories, goods and finished products	483,764
3. Advance payments	16
	486,278
II. Current receivables and other assets	
1. Trade receivables	708,503
2. Receivables – affiliated companies	741
3. Receivables – associated companies	7,878
4. Receivables owed by related companies	473
5. Other financial receivables and current assets	125,516
6. Current assets from other taxes	68,152
7. Current income tax receivables	367,119
8. Other current non-financial assets	17,151
	1,295,532
III. Derivative financial instruments	36,797
IV. Cash and cash equivalents	374,407
	<b>2,193,014</b>

### C. Assets held for sale from disposal groups

	<b>1,578,245</b>
<b>Total</b>	<b>7,606,771</b>

Minor differences in the disclosure of individual amounts may occur due to rounding.



## Liabilities and Shareholder's Equity (in k€)

### A. Equity

I. Equity attributable to owners of the Company	
1. Common stock	250,000
2. Additional paid in capital	2,936
3. Retained earnings	3,380,728
4. Reserve for changes in value	-628,688
5. Reserve for revaluation	0
6. Currency translation adjustments	96,807
	3,101,783
II. Non-controlling interests	360,597
	<b>3,462,380</b>

### B. Non-current liabilities

I. Current liabilities	
1. Non-current liabilities due to banks	1,066,203
2. Non-current lease liabilities	422,719
3. Other non-current financial liabilities	46,452
4. Other non-current non-financial liabilities	1,150
5. Non-current tax liabilities	0
	1,536,525
II. Non-current provisions	180,470
III. Derivative financial instruments	41,816
IV. Deferred taxes	218,272
	<b>1,977,083</b>

### C. Current liabilities

I. Current liabilities	
1. Current liabilities due to banks	1,003,955
2. Trade accounts payable	662,239
3. Current liabilities due to affiliated companies	13
4. Current liabilities due to associated companies	2,228
5. Current liabilities due to related companies	139
6. Other current lease liabilities	24,312
7. Other current financial liabilities	47,492
8. Other current non-financial liabilities	15,484
	1,755,863
II. Derivative financial instruments	12,518
III. Current accruals	
1. Tax accruals	39,864
2. Other current provisions and accrued liabilities	218,127
	257,991
IV. Current liabilities from other taxes	129,038
V. Current liabilities from income taxes	5,526
	<b>2,160,936</b>

### D. Liabilities from disposal groups

	6,371
<b>Total</b>	<b>7,606,771</b>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to December 31, 2019

(in k€)

1. Revenues	12,853,942
2. Own work capitalized	5,444
3. Other operating income	235,628
<b>4. Total operating revenues</b>	<b>13,095,014</b>
5. Cost of sales	
a. Cost of raw materials and supplies and purchased goods	-11,481,791
b. Cost of purchased services	-350,489
6. Personnel expenses	
a. Wages and salaries	-332,361
b. Social security and expenses for pension commitments	-58,407
7. Other operating expenses	-370,448
<b>8. Result from trading operations</b>	<b>501,518</b>
9. Income from investments in subsidiaries	39,078
<b>10. EBITDA</b>	<b>540,597</b>
11. Amortization and depreciation on intangible and tangible fixed assets	-254,177
<b>12. EBIT</b>	<b>286,419</b>
13. Income from fixed assets investments in securities and loans	90,507
14. Interest income and similar income	6,452
15. Depreciation of long-term loans	-18,515
16. Interest expenses and similar expenses	-220,260
17. Result from changes in value of derivative financial instruments	-36,915
<b>18. Financial result</b>	<b>-178,731</b>
<b>19. EBT</b>	<b>107,689</b>
20. Income tax	273,651
<b>21. Consolidated net result</b>	<b>381,339</b>
thereof:	
net result attributable to equity holders of the parent	344,800
net result attributable to minority interests	36,540

Minor differences in the disclosure of individual amounts may occur due to rounding.

(in k€)

<b>21. Consolidated net result</b>	<b>381,339</b>
Items that may be reclassified subsequently to profit and loss	
22. Exchange differences on translating foreign operations	35,985
23. Cash flow hedges	-2,510
24. Share of other comprehensive income of associated companies	4,986
25. Income tax	109
thereof arising from cash flow hedges	-127
thereof arising from associated companies	236
	<b>38,569</b>
Items that will not be reclassified subsequently to profit and loss	
26. Change of valuation reserve available-for-sale financial assets	175,245
27. Income tax relating to components of defined benefit obligations	-13,076
28. Income tax	-25
thereof arising from available-for-sale financial assets	-2,003
thereof arising from defined benefit obligations	1,978
	<b>162,144</b>
<b>29. Other comprehensive income for the year</b>	<b>200,714</b>
<b>30. Total comprehensive income for the year</b>	<b>582,053</b>
thereof:	
comprehensive result attributable to equity holders of the parent	529,040
comprehensive result attributable to minority interests	53,013

## INDEPENDENT AUDITOR'S REPORT

Above we published the incomplete Marquard & Bahls AG's consolidated financial statements as of December 31, 2019. The consolidated financial statements as of December 31, 2019, comprise the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the notes.

With regard to the complete consolidated financial statements as of December 31, 2019, and the group management report for the financial year 2019 the annual auditor has issued the following auditor's report:

"To Marquard & Bahls Aktiengesellschaft, Hamburg

### Opinions

We have audited the consolidated financial statements of Marquard & Bahls Aktiengesellschaft, Hamburg and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2019, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report for the single entity and the group ("group management report") of Marquard & Bahls Aktiengesellschaft for the financial year from January 1 to December 31, 2019.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB (Handelsgesetzbuch: German Commercial Code) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2019, and of its financial performance for the financial year from January 1 to December 31, 2019, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

### Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance



with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

#### **Material uncertainty regarding the continuation of the business activities of a division's subsidiaries**

We refer to the explanations in the notes to the consolidated financial statements under "Other events of particular significance and events after the balance sheet date" and in the Group management report under "Opportunities and risks report", in which the legal representatives note that the subsidiaries of the Skytanking division may be dependent on additional financial support from shareholders or other sources of financing – depending on the restrictions on business operations resulting from the Corona pandemic – if agreed financing conditions cannot be met. This gives rise to a material uncertainty which may cast significant doubt on whether the Skytanking subsidiaries will be able to continue their business activities, and constitutes a risk to the continued existence of these subsidiaries as defined in § 322 (2) sentence 3 of the HGB/German Commercial Code. Our audit opinions have not been modified with respect to this matter.

#### **Other Information**

Management is responsible for the other information. The other information comprises the annual report, with the exception of the audited consolidated statement of financial position and the consolidated statement of comprehensive income and our auditor's report.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

#### **Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report**

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 opinions. 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 controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report 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 these systems.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. 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 Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with (German) law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Hamburg, March 29, 2020

KPMG AG  
Wirtschaftsprüfungsgesellschaft

*(Original German version signed by:)*

*(signature)* Heckert  
Wirtschaftsprüfer  
(German Public Auditor)

*(signature)* Bartholl  
Wirtschaftsprüfer  
(German Public Auditor)"

## Marquard & Bahls AG

Hamburg, Germany

### Oiltanking GmbH

Hamburg, Germany

#### Tank Storage Logistics EMEA

Oiltanking Amsterdam B. V.  
Amsterdam, Netherlands

Oiltanking Antwerp Gas  
Terminal N.V.  
Antwerp, Belgium

Oiltanking Bulgaria A.D.  
Varna, Bulgaria

Oiltanking Copenhagen A/S  
Copenhagen, Denmark

Oiltanking Deutschland  
GmbH & Co. KG  
Hamburg, Germany

Oiltanking Finance B. V.  
Amsterdam, Netherlands

Oiltanking Finland Oy  
Kotka, Finland

Oiltanking Ghana Services Limited  
Accra, Ghana

Oiltanking Ghent N. V.  
Ghent, Belgium

Oiltanking Grindrod Calulo  
Proprietary Limited  
Cape Town, South Africa

Oiltanking Hungary Kft.  
Budapest, Hungary

Oiltanking Malta Ltd.  
Birzebbugia, Malta

Oiltanking Matola S.A.  
Matola, Mozambique

Oiltanking MOGS Saldanha (RF)  
Proprietary Limited  
Cape Town, South Africa

Oiltanking Stolthaven Antwerp N. V.  
Antwerp, Belgium

Oiltanking Tanklager Waltershof  
GmbH & Co. KG  
Hamburg, Germany

Oiltanking Terminals & Co. LLC  
Sohar, Oman

Oiltanking Terneuzen B. V.  
Terneuzen, Netherlands

Star Energy Resources Ltd.  
Dubai, United Arab Emirates

TransTank GmbH  
Gelsenkirchen, Germany

Weser Tanking GmbH & Co. KG  
Bremen, Germany

#### Americas

Açu Petroleo S. A.  
Rio de Janeiro, Brazil

Colon Oil and Services S. A.  
Panama City, Panama

Consortio Terminales  
Lima, Peru

Logistica de Quimicos del Sur S.A.C.  
Lima, Peru

Oiltanking Açu Serviços Ltda.  
Rio de Janeiro, Brazil

Oiltanking Andina Services S.A.C.  
Lima, Peru

Oiltanking Colombia S.A.  
Bogota, Colombia

Oiltanking Colombia Servicios S.A.  
Bogota, Colombia

Oiltanking Ebytem S.A.  
Buenos Aires, Argentina

Oiltanking Galveston County, LLC  
City of Wilmington, USA

Oiltanking Joliet LLC  
Joliet, USA

Oiltanking Logistica Brasil Ltda.  
Rio de Janeiro, Brazil

Oiltanking Mexico S. de R.L. de C.V.  
Mexico City, Mexico

Oiltanking Peru S.A.C.  
Lima, Peru

Oiltanking Terminais Ltda.  
Rio de Janeiro, Brazil

Oiltanking Texas City L. P.  
Texas City, USA

Terminales del Peru  
Lima, Peru

#### APAC

Daya Bay Public Pipe Rack Co. Ltd.  
Huizhou, China

Huizhou Daya Bay Oiltanking  
Petrochemical Public Jetty Co. Ltd.  
Huizhou, China

IOT Infrastructure & Energy  
Services Ltd.  
Mumbai, India

Oiltanking Daya Bay Co. Ltd.  
Huizhou, China

Oiltanking Helios Singapore Pte. Ltd.  
Singapore

Oiltanking (Nanjing) Co. Ltd.  
Nanjing, China

Oiltanking Singapore  
Chemical Storage Pte. Ltd.  
Singapore

Oiltanking Singapore Ltd.  
Singapore

PT Oiltanking Karimun  
Jakarta, Indonesia

PT Oiltanking Nusantara Persada  
Jakarta, Indonesia

Zuari Indian Oiltanking Limited  
Goa, India

### Mabanaft GmbH & Co. KG

Hamburg, Germany

#### Trading

B.W.O.C. Limited  
Weston-super-Mare, United Kingdom

Mabanaft Deutschland  
GmbH & Co. KG  
Hamburg, Germany

Mabanaft Energy Trading Inc.  
Houston, USA

Mabanaft Natural Gas Products Ltd.  
London, United Kingdom

Mabanaft Hungary Kft.  
Budapest, Hungary

Mabanaft Limited  
London, United Kingdom

Mabanaft Pte. Ltd.  
Singapore

#### Retail

Petronord GmbH & Co. KG  
Hamburg, Germany

AUSTROLUB GmbH & Co. KG  
Vienna, Austria

Benol Energieservice GmbH  
Frankfurt/Main, Germany

Böttcher Energie GmbH & Co. KG  
Regensburg, Germany

Deglmann Energie GmbH & Co. KG  
Weiden/Oberpfalz, Germany

EAG Energie Abrechnungs- und  
Service GmbH  
Hiddenhausen, Germany

Fundins Olja AB  
Tranås, Sweden

Greiner GmbH  
Wabern, Germany

Hartmann Energie GmbH  
Oberleichtersbach, Germany

Hempelmann Wittemöller GmbH  
Hiddenhausen, Germany

JB German Oil GmbH & Co. KG  
Wittenburg, Germany

John Schmierstoff Service GmbH  
Altlandsberg, Germany

Junction 29 Truckstop Limited  
Chesterfield, United Kingdom

Kaiser Söhne Mineralöle  
GmbH & Co. KG  
Arnsberg, Germany

Keck Energieservice GmbH & Co. KG  
Brakel, Germany

Keck Schmierstoffservice  
GmbH & Co. KG  
Brakel, Germany

Kiessling Energie GmbH & Co. KG  
Lauterhofen, Germany

Klindworth-Kronol Energie GmbH  
Hamburg, Germany

Lipps Energie GmbH  
Hagen, Germany



## Skytanking Holding GmbH

Hamburg, Germany

LSA Lubes Services GmbH & Co. KG  
Vienna, Austria

LTH Tank- und Haustechnik GmbH  
Purkersdorf, Austria

Mabanol GmbH & Co. KG  
Hamburg, Germany

Mabanol Bitumen GmbH & Co. KG  
Hamburg, Germany

Mabanol  
Schmierstoffservice GmbH & Co. KG  
Bremen, Germany

Manfred Mayer MMM Mineralöl  
Vertriebsgesellschaft m.b.H.  
Neudörfel, Austria

Mühlenbruch Stinnes TOTAL GmbH  
Bremen, Germany

NordBit GmbH & Co. KG  
Hamburg, Germany

Oiltech Lubes Service  
GmbH & Co. KG  
Erkrath-Unterfeldhaus, Germany

Petrocargo Mineralöl-Logistik GmbH  
Hiddenhausen, Germany

PS Olje AB  
Halmstad, Sweden

Schmidt Energiehandel GmbH  
Ascheberg-Herbern, Germany

Staack Pooltankstellen  
GmbH & Co. KG  
Hamburg, Germany

Stockholms Diesel & Oljehandel AB  
Bromma/Stockholm, Sweden

Swelube AB  
Angered, Sweden

Thomas Silvey Ltd.  
Bristol, United Kingdom

Uhlenbruck Energie GmbH & Co. KG  
Mühlheim an der Ruhr, Germany

ZIEGLMEIER Energie GmbH  
Schrobenhausen, Germany

OIL! Tankstellen GmbH  
Hamburg, Germany

OIL! tank & go ApS  
Vejle, Denmark

OIL! Tankstellen AG  
Rüti, Switzerland

OIL Tankstellen GmbH  
Vienna, Austria

BAT Auerswalde Nord  
GmbH & Co. KG  
Heidenau, Germany

### Others

BOMIN Bunker Oil Corp.  
Houston, USA

GCA Holdings LLC.  
Texas City, USA

Hydrant Refuelling System NV  
Zaventem, Belgium

IndianOil Skytanking Limited  
Bangalore, India

IndianOil Skytanking Delhi Limited  
Delhi, India

Luxfuel S. A.  
Luxembourg

Skytanking Austria GmbH  
Vienna, Austria

Skytanking Calulo (Pty) Ltd.  
Bryanston, South Africa

Skytanking Frankfurt GmbH  
Frankfurt, Germany

Skytanking GmbH  
Zurich, Switzerland

Skytanking GmbH & Co. KG  
Hamburg, Germany

Skytanking Germany GmbH & Co. KG  
Hamburg, Germany

Skytanking Limited  
Birzebbugia, Malta

Skytanking Munich GmbH & Co. KG  
Hamburg, Germany

Skytanking North America, Inc.  
Houston, USA

Skytanking N.V.  
Zaventem, Belgium

Skytanking Ovenon  
Havacilik Hizmetleri A.S.

Istanbul, Turkey

Skytanking S. R. L.  
Fiumicino, Italy

Skytanking SLU  
Madrid, Spain

Skytanking Stuttgart GmbH & Co. KG  
Hamburg, Germany

S & JD Robertson North Air Ltd.  
Aberdeen, United Kingdom

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