

# MASTERING CHALLENGES



Marquard & Bahls AG  
Annual Report **2020**

# CONFIDENCE

## Group Figures 2020

### MARQUARD & BAHL

10,059 million € consolidated revenues (including energy taxes)  
6,194 employees

### OILTANKING

18.5 million cbm tank capacity  
140.1 million t throughput

### MABANAFT

16.5 million t sales

### SKYTANKING

11.4 million cbm throughput



## **With Energy and Confidence**

Rarely has there been a year as challenging as 2020: Lockdowns and living at a distance – volatile energy markets, flight cancellations on an unbelievable scale, working from home and much more – within weeks, the coronavirus pandemic confronted us with a new reality.

Marquard & Bahls tackled all the challenges. And mastered them. At the same time, we know that this period of radical change is far from over and that society, business, and the environment will continue to change. We will continue to face changes and search for solutions in the future as well.

And we are not alone in this. In 2020, too, we saw extraordinary achievements, whether in connection with vaccine production, in sports, or in space. Our annual report shows a selection of the challenges we mastered demonstrating that people can overcome a great deal – and that almost any goal is achievable.

# CHANGE

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## Ready for Change

2020 will likely be remembered as the year in which the SARS-CoV-2 Virus spread globally, leading to significant loss of life and causing severe damage to economies. In spite of this ongoing crisis, there have been many positive initiatives and developments that give hope for the future. For instance, the rapid and coordinated deployment of global resources to develop and produce new vaccine technologies is a testament to the benefit of collaboration across countries and cultures.

At Marquard & Bahls, too, we were adversely impacted by the coronavirus pandemic. However, unlike the ostrich we did not bury our head in the sand, but responded quickly and flexibly, executing professional crisis management – together. While on the one hand we have responded to this crisis holistically, on the other hand we have continued to be proactive in pursuing our strategy and transformational journey.

Although we had some burden to carry, we should also celebrate our successes: We made our first investments in new business areas, including acquiring a significant stake in Superior Plus. We also continued anchoring our values even more firmly in the Group, worked on improving our HSSE performance, and further advanced our sustainability efforts.

We are proud of how we have mastered the challenge so far. The positive steps that we have taken during the corona crisis provide much optimism for the future development of Marquard & Bahls. At the same time, we know that the years ahead will likely bring not fewer, but more challenges. The energy transition, for example, is unfolding rapidly while it is unclear yet how this transformation will play out in detail.

How do we strengthen our company in times like these? By taking responsibility and acting sustainably. By transforming our portfolio and our organizational structure in line with our vision. By being willing to change and adapt, thus reinforcing what we already are: an agile, strong company.

Hamburg, May 2021



Daniel Weisser  
Chairman of the Supervisory Board



\*) **Frozen solid.** The MOSAiC expedition (Multidisciplinary drifting Observatory for the Study of Arctic Climate) ended in October 2020. Scientists had frozen themselves into an ice floe on board the “Polarstern” a year earlier, to drift through the Arctic Ocean and gain insights into the Arctic’s influence on the global climate. This was only possible with the support of icebreakers and helicopters.



## 'Our Company Wants to Make a Positive Contribution'

Marquard & Bahls experienced a year of challenges in 2020: the coronavirus pandemic, dynamically changing energy markets, its strategy implementation, and transformation of the portfolio and organization – to name just the most important topics. In this interview, Mark Garrett (CEO) and Olaf Schulz (CFO) reflect on the latest developments and talk about the tasks the company must tackle in the years ahead.

**Mark, the theme of this year's Marquard & Bahls Annual Report is "Mastering Challenges." The biggest challenge at the moment is undoubtedly the coronavirus pandemic. Do you see a light at the end of the tunnel?**

**Mark:** A small light, yes. But it's also a fact that the coronavirus crisis is far from over. While the infection rate with the original virus is decreasing, the mutations are increasing significantly. And we still don't know how effective the various vaccines are against the mutated forms of the virus.

**Olaf:** We will have to continue to follow the basic rules: mandatory masking, social distancing, hand hygiene, as well as additional requirements. As soon as the vaccinations progress, we will probably see more easing of restrictions in everyday life, but even then the virus won't be gone from the world.

**How did Marquard & Bahls address the changed situation?**

**Mark:** We responded very quickly and introduced a package of various measures right at the beginning of the pandemic, starting with the establishment of crisis management teams, hygiene concepts, Covid reporting, and remote working. Unfortunately, we have a Covid-related death to mourn in Oman. Other employees, some of whom were seriously ill and in intensive care, have fortunately recovered. Overall, the strict measures defined by our crisis management teams are bound to have significantly reduced the risk of infection within our company.

**Olaf:** It was definitely an extreme situation. Compared to the 2008 financial crisis, which took months to unfold, the coronavirus crisis in 2020 came at us fast and furious. But everyone contributed – we are proud of that and sincerely thank our employees! Despite Covid-related sick leave, operations at the tank terminals had to be maintained. Our traders grappled with highly volatile markets, truck drivers were under severe pressure due to the heating-oil boom, and our employees at the airports were worried about what would happen next given the flight cancellations. For colleagues working from home, the year was no walk in the park either. Many felt isolated, and for those with children, homeschooling was often on the agenda in addition to work.



### **Was the effort worthwhile? Are you satisfied with the 2020 result?**

**Olaf:** The operating result is within the budget, which is good, but our return on equity needs to improve. Against the backdrop of the coronavirus pandemic, I'd say we've delivered a top performance. But there is still room for improvement.

### **Let's talk about the operating units: How did Oiltanking, Mabanaft, and Skytanking perform?**

**Olaf:** Oiltanking once again showed itself to be "weatherproof" and the company benefited from the contango situation, so that the operating results significantly exceeded the budget. Mabanaft showed a mixed picture: disappointing in trading but with record results in retail. Skytanking, on the other hand, experienced a dramatic slump in business due to the numerous lockdowns and resulting flight cancellations.

### **This development then led to the sale of Skytanking?**

**Mark:** Aviation is one of the sectors hardest hit by the pandemic and will take several years to recover. So we went looking for a strategic partner that could better support Skytanking in the long term. At the end of 2020, we signed the contract for the sale to PrimeFlight, with the closing taking place on March 31, 2021. Of course, this wasn't an easy decision for us; after all, we are connected by more than 20 years of shared history. But we believe that many opportunities will open up for Skytanking and its employees with its new owner, who also provides aviation services, and that both companies will benefit from their merger.

### **What were the highlights of 2020?**

**Mark:** Oiltanking AGT in Antwerp commissioned Europe's largest butane tank, and the MOGS Saldanha tank terminal in South Africa went into operation. In 2020, there were also several sustainable initiatives and projects in which Marquard & Bahls or our individual operating units are involved.

Important highlights were of course also our two investments: first Nordic Blue Crude, a pioneer in power-to-liquid, and then Superior Plus, a Canadian company focusing on the distribution of propane gas.

### **Speaking of the portfolio: After the past two years brought several disposals, we are now seeing investments. What is the plan behind this?**

**Mark:** Our plan is relatively simple and we've been communicating it since August 2018: we are shifting our portfolio from fossil fuels, such as oil and coal, to gas, chemicals, and new energies. We are pursuing this goal because we believe the world needs a transition away from polluting forms of energy to a cleaner future. What may come as a surprise is that we are actually doing what we said we would, and possibly also the speed at which we are doing it.





**We also see that Marquard & Bahls is becoming more sustainable. But there's no money to be made from that yet at this point, is there?**

**Olaf:** It's true that the latest investments, such as Nordic Blue Crude, and the investment in initiatives and projects such as AquaVentus, European Clean Hydrogen Alliance, and eFuel Alliance aren't making us any money as yet, but they represent a long-term investment into a new future.

At the same time, we do have to pay our bills today – which is why we're investing in solid, reliable companies like Superior Plus, which are involved in the production and sale of products that are part of the energy transition. These products are cleaner than oil, and deliver returns that we can reinvest.

So we are balancing our portfolio between lines of business that we see as making a positive contribution to the energy transition and which are also profitable – and other business areas that we see as part of our long-term future but which are not initially generating any earnings.

**How important is the topic of corporate responsibility when evaluating new investments?**

**Mark:** Very important! Conducting business economically and at the same time in a socially responsible manner, conserving resources and the environment – all this shapes our decisions. Our sustainability management has long been firmly anchored in the company and we report transparently on our developments in the individual business areas.

How can we make a difference? For one, by establishing management in our existing companies that shares our values and commitment to responsible corporate governance. And for another, by making sensible, forward-looking decisions as a holding company about what to divest and which areas to invest in.



**Olaf:** When it comes to evaluating the corporate responsibility of new investments, we also apply ESG criteria, of course, and review meticulously how a given company conducts itself with regard to environmental, social, and governance matters. ESG is an important rating factor for banks. This shows the high importance of corporate responsibility in the economy as a whole.

**In addition to the portfolio, the organization is also being further transformed. Going forward, the holding company will act as a strategic architect, while the operating units will run their business completely independently. What advantages do you hope this will bring?**

**Mark:** If you want to advance a far-reaching transformation, as we do, you have to be flexible. But if you build a large corporate center, as we did a few years ago, you reduce flexibility. We gained neither control nor entrepreneurial drive at that time.

So we decided that in future we would focus responsibility and accountability at the level where business is actually conducted. Since we started doing this, we have gained both flexibility and agility. So our decision seems to have been the right one.

**Doesn't this mean that the holding company will have less authority in future and will only follow the goings-on of the operating units from a distance?**

**Mark:** The two most important decisions a company makes are the selection of employees and the allocation of capital. Considering that the holding company decides who runs the portfolio companies – either directly if we own a majority, or indirectly through the Supervisory Board if we have a minority shareholding – and we also decide how to invest our capital, I would say that we are far from watching what happens from a distance.



**Olaf:** Rather, we make fundamental decisions: We prepare the capital and liquidity planning, develop the portfolio, define investment priorities, and provide the basic outlines of the company-wide HR policy.

**In 2020, you launched a values campaign. Aren't shared values difficult to communicate when a company changes so fundamentally?**

**Mark:** As a family business, we are in the singular position that our values are strongly tied to those of the shareholders. It's very important to communicate values clearly and use them to guide our decisions. However, values should never be used to avoid difficult decisions, but rather to provide guidance on how to implement decisions fairly and openly – honestly and with integrity.

**Let's look ahead: What developments are on the horizon for 2021 and the following years?**

**Olaf:** The challenges have rarely been so complex: On the one hand, there is the management of the coronavirus pandemic, but climate change, the energy transition, digitalization, and social cohesion are also important issues. Every individual is confronted with them, and we too have to ask ourselves how we can get our company safely through these times.

**Mark:** The answer to that is: We have to take responsibility and act more sustainably than before by adapting our portfolio and organizational structure. Our recent decisions show that we are ready to do this.

**Olaf:** We will continue to advance the transformation of our portfolio, including at the operating unit level. We will continue to develop in the direction of gas, chemicals, and new energies and make our portfolio more sustainable than before.

**Mark:** It is important to take notice of the changes around us and to tackle new tasks. Markets and opinions are constantly changing and they are doing so faster and faster. Our challenge is to survive and to continue developing in this constantly changing world. We want to do so by acting safely, sustainably and ethically. Our company wants to make a positive contribution.

Mark Garrett  
Chief Executive Officer

Olaf Schulz  
Chief Financial Officer





**MARQUARD  
& BAHLS**

**\***) **Marquard & Bahls AG** is an agile, independent holding company in the Energy & Chemicals sector. We steadfastly pursue our vision of being an ethical investor supporting human development. As a strategic architect, we actively manage our portfolio by building innovative companies that operate their businesses safely, responsibly, and sustainably.



## HOLDING

# STRATEGY

\* ) Our plan for 2020 was to continue implementing our strategy: to diversify the portfolio and invest in new business areas while transforming our organization. We have set all of this in motion, despite cancelled flights and meetings, instead working in shifts or from home. That's something we can be proud of!

*Mark Garrett, CEO Marquard & Bahls*



## Looking Back on an Exceptional Year

Marquard & Bahls experienced a satisfactory operational year in 2020 despite adverse circumstances, ending with pre-tax earnings of 149 million euros. Tank storage logistics and energy trading achieved good results, while aviation fuelling suffered a massive revenue collapse due to Covid-related travel restrictions.

2020 brought drastic changes. The coronavirus rapidly spread around the globe in the first quarter, with far-reaching effects: Healthcare systems were put under extreme strain, public life came to a partial standstill, and national economies collapsed.

In this severe and still ongoing crisis, which has affected almost all areas of life, the Marquard & Bahls group of companies once again demonstrated its flexibility. The operating units active in system-relevant areas were operational at all times. Crisis management teams were established right at the start of the pandemic, high hygiene standards and regular coronavirus reporting were introduced, and the expansion of video communication systems was pushed forward. The company also introduced remote working and shift systems wherever possible. Additional support programs were in place at corporate headquarters, ranging from lunch delivery services to online fitness courses and mental health support.

In all of that, we never lost sight of our goals. A key task in 2020 was the implementation of the strategies for Marquard & Bahls as well as for Oiltanking, Mabanaft and Skytanking – all of which we successfully advanced.

Further key decisions will be taken in 2021: The holding company will be streamlined and will act as a strategic architect in future, while the operating units will run their business fully independently. This follows the objective of building an agile organization that is able to rapidly make decisions so that we can operate successfully long-term.

### **Mostly good results in the operating units**

In 2020, the Marquard & Bahls Group once again kept its level of performance stable.

Oiltanking achieved a result well above budget, driven in part by the contango situation. Individual sites experienced lower demand for tank space and correspondingly fewer product movements given the economic downturn. Highlights included the commissioning of Europe's largest butane tank at Oiltanking AGT in Antwerp, Belgium, and the go-live of the Oiltanking MOGS Saldanha tank terminal in South Africa.



Mabanaft had an eventful year with high volatility. After a turbulent phase in the spring, with at times negative crude oil prices and extreme price fluctuations, the trading business stabilized again during the course of the year, but earnings of the year remained disappointing, while the OIL! Tankstellen and Petronord retail companies generated record results.

Skytanking was hit hardest by the coronavirus pandemic due to global travel restrictions and suffered revenue declines of up to 70 percent. The entire airline industry suffered a similar fate, experiencing its most severe crisis to date in 2020 – a crisis that is not yet over. A noticeable recovery is not expected for several years. Against this backdrop, Marquard & Bahls decided to seek a strategic partner that can better support Skytanking in pursuing its strategy long-term. On December 30, 2020, Marquard & Bahls AG signed an agreement with PrimeFlight Aviation Services, Inc. for the sale of its 100% stake in Skytanking Holding GmbH and its shareholdings. The transaction closed on March 31, 2021. Going forward, Marquard & Bahls will hold a minority stake in PrimeFlight and indirectly participate in Skytanking.

### **Investments in chemicals and new energies**

During the course of 2020, Marquard & Bahls acquired a minority stake of over 10 percent in Superior Plus, a Toronto-based company active in energy distribution. This is Marquard & Bahls' first investment in a listed company and follows our investment strategy of building an innovative portfolio, particularly in the gas and chemicals sectors.

Marquard & Bahls also decided to expand its holding – acquired at the end of December 2019 – in Nordic Blue Crude, a pioneer in the field of power-to-liquid, and to take an active role as lead investor. Further to this, and with a view to future developments in hydrogen, Marquard & Bahls has also joined the European Clean Hydrogen Alliance.

Besides these two investments – Superior Plus and Nordic Blue Crude – Marquard & Bahls is pursuing an expansion of its portfolio to include other pillars in the next few years.

Future decisions will be closely linked to overall economic developments. Economic forecasts are cautiously optimistic. Hopes are pinned especially on the vaccination campaigns that have been launched worldwide, which will also result in the economy picking up again. There are also signs that important trade relations are being revived and crucial alliances resumed, which should allow the global economy to regain momentum.





## Employees

For Human Resources, 2020 was characterized by close support for the transformation process, which will continue in 2021, and the usual HR tasks, with a focus on personnel planning and recruitment, HR development, and remuneration management.

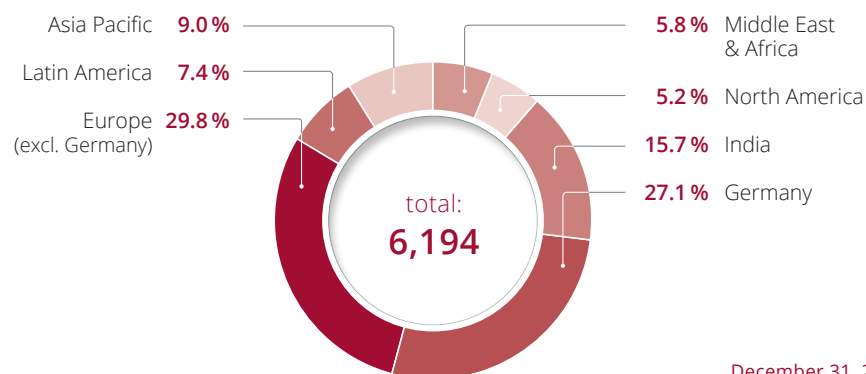
Continuous support for the operating companies was a key element of the tasks, as was the recruitment and development of talented junior staff, employees and managers. In this connection, succession planning for the holding company and all operating units was further professionalized and expanded in 2020.

As part of a global grading project, around 4,000 positions were evaluated and given corresponding local salary bands in line with the market. The ongoing development of employees is the focus of the performance management initiative carried out by Human Resources. Goal setting, target achievement, general assessments, and career planning were further professionalized via the HR management system.

The Group's managers meet regularly in the Circle for Leadership organized by HR to exchange ideas and jointly pursue their individual development.

In addition, Human Resources supported the implementation of the new holding company's governance and associated process of change. As part of the reorganization, separate HR departments were set up in the operating units – Oiltanking, Mabanaft, and Skytanking.

### Employees by region

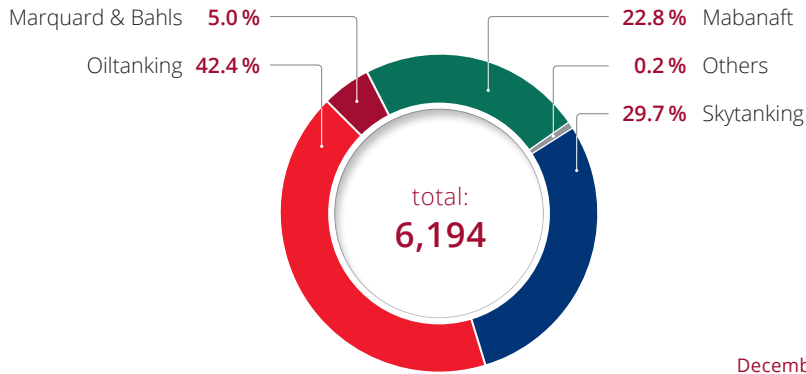




In December 2020, Marquard & Bahls signed the Diversity Charter, an initiative to promote diversity at companies and institutions in Germany. By joining the charter, the company commits to treating its employees with appreciation and respect – regardless of gender, age, nationality, religion, disability or sexual orientation. Marquard & Bahls initially signed the Diversity Charter for the holding company, with the subsidiaries to join the charter in the course of this year.

In 2020, Marquard & Bahls employed an average of 6,463 people; including the employees of all not fully consolidated and associated companies, 6,194 people worked for Marquard & Bahls at year-end.

### Employees by company



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

## HSSE – Health, Safety, Security and Environment

Marquard & Bahls is committed to conducting all business activities safely and efficiently. It pursues a proactive safety culture throughout the company to ensure health, safety, security and environmental protection. This is given top priority.

In 2020, Marquard & Bahls held its first company-wide Global Safety Day, which, taking into account the local Covid-19 situation, was held at both the Hamburg headquarters and the operating units. Activities at the corporate headquarters included presentations and videos, as well as hands-on training on resuscitation, fire safety and office hazards. The CEO's opening speech was streamed live for employees in more than 25 countries.



**\*) Fighting Corona.** Since the beginning of 2020, the coronavirus pandemic has been threatening humanity, with repercussions at every level. At the same time, a race against time began: More than 200 vaccine research projects were launched worldwide. Companies devoted all their knowledge and research teams, laboratories and production facilities to fighting the virus. And with success: The first vaccines have been available since the end of 2020.



The development of the coronavirus pandemic was followed from the beginning by a Crisis Management Team (CMT), led by Marquard & Bahls HSSE. The CMT met regularly to evaluate data, define protective measures, determine travel restrictions, coordinate measures for head office as well as the operating units, and keep employees fully informed about the current situation. By the end of 2020, 280 employees worldwide had tested positive for coronavirus. One Oiltanking Oman employee unfortunately passed away as a result of Covid-19.

The overall rate of reportable injuries among employees and contractors (as defined in US-OSHA) decreased by 17 percent. Continuing this positive trend is one of the Group's key strategic goals. The product release rate was similar to the previous year, while the fire rate continued to improve. As in the two previous years, there were no process-related fires (as per API RP 754).

These successes were, however, overshadowed by a fatal work accident at IOT's tank terminal in Paradip, India. During an inspection on the roof of the technical building, a contractor fell from a basket ladder. The man died from his injuries a short time later. The company deeply regrets this incident. Oiltanking subsequently organized a safety stand-down at all sites worldwide to share information about this accident, its immediate causes, and preliminary findings. To avoid a recurrence, the lessons learned were circulated throughout the Group.

## Sustainability

The Marquard & Bahls Group generates most of its income from the fossil fuel business. At first glance, this may seem at odds with the notion of sustainability, but it is a fact that humanity will continue to depend on conventional fuels for many years to come. Our foremost goal is to make our activities as safe and environmentally compatible as possible. After all, we can only be successful in the long term if we meet our customers' needs today without compromising the quality of life of future generations or the environment. We therefore seek to integrate the principle of sustainable development into all our activities.

By providing services relating to the trade, transport, storage, and handling of petroleum products, gases, and chemicals, we are helping to meet global challenges such as rising demand for energy in the face of increasing resource scarcity. At the same time, we help promote sustainable economic growth and are committed to maintaining high social standards. In this way, we indirectly support the various dimensions of human development as well as the United Nations Sustainable Development Goals (SDGs), to which we have once again committed ourselves. In 2020, we reviewed the most important SDGs for our companies and integrated them into our strategy process.



In 2020 we again worked intensively to make our core business more sustainable and further develop the company beyond fossil fuels. For example, we included ESG (environmental, social, governance) criteria in the assessment of future investments and developed an initial set of rules for the operating units. Another focus was the establishment of a stable sustainability organization in our operating units.

To provide a better overview of our sustainability KPIs, indicators were integrated into the operating units' HSSE dashboards in the first half of 2020. We also advanced our commitment to good causes. Around the world, for example, almost one million euros went to local charitable projects whose implementation we supported, in some cases also with the active involvement of our employees. Our spending on donations and sponsorships thus increased by around 30 percent year-on-year.

Going forward, we will give greater emphasis to our voluntary measures to protect the environment. We have therefore developed a comprehensive concept that includes offsetting CO<sub>2</sub> through reforestation measures. The concept has resulted in a company-wide project in which Marquard & Bahls and all operating units are participating. For example, Marquard & Bahls Group's total flight emissions of 7,495 tons of CO<sub>2</sub> in 2019 were offset in 2020 by the planting of more than 26,000 trees at the CommuniTree reforestation project in Nicaragua. Other components of the project include tree gifts for employees and business partners, and climate-neutral websites.

In our Sustainability Report 2020, which is based on the internationally recognized standards of the Global Reporting Initiative (GRI) and the German Sustainability Code (DNK), we will once again provide information on the progress made by the Group and the relevant KPIs.

Another project was to communicate our values within the company. To this end, an initial workshop with the management of the holding company and operating units was held in Hamburg in February 2020, followed shortly afterwards by a values campaign. We had to forego any further workshops for all employees due to the coronavirus pandemic. Anchoring our values in the organization will be an important topic in 2021 as well.

**\***) The coronavirus crisis hit us almost without warning in 2020, also and especially compared to the financial crisis 2008 that was looming months in advance. We had to be quick: establish crisis management teams, ramp up IT systems – and focus on our financing in the face of turbulent financial markets. We managed to do all of it!

*Olaf Schulz, CFO Marquard & Bahls*



\*)



# Oiltanking

**\***) Oiltanking is one of the industry's largest independent partners for tank storage logistics. Customers and their requirements are always at the center of its efforts. At its worldwide locations, Oiltanking offers tailor-made solutions and the highest quality of service while complying with all safety standards. Day and night – in extreme heat as well as sub-zero temperatures.

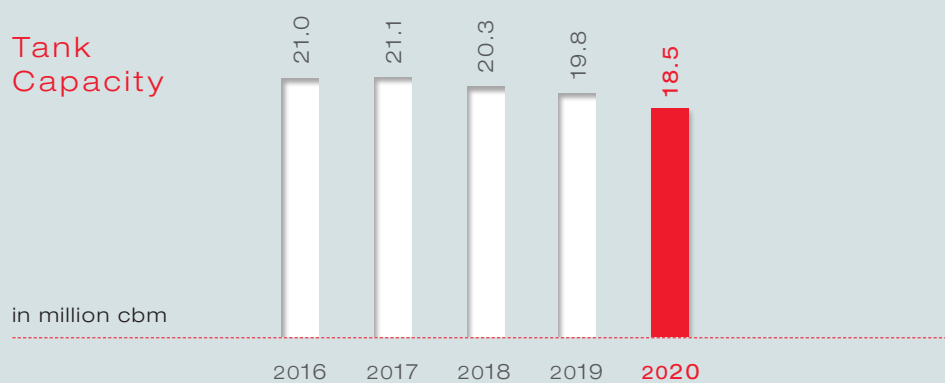


## TANK STORAGE LOGISTICS

# DRIVE

\* ) What fills me with pride is that, despite the pandemic, we maintained business operations worldwide and, among other things, commissioned the butane tank at Oiltanking AGT as well as Oiltanking MOGS Saldanha's tank terminal. Once again, we have shown how robust our business model is.

*Matti Lievonen, CEO Oiltanking*







## Oiltanking Achieves a Strong Result

Oiltanking achieved a satisfactory and above-budget operating result in 2020, to which all regions contributed. The markets were very volatile in response to global challenges over large parts of the year, at times resulting in fluctuating utilization of the sites, although at a high level.

In 2020, the energy markets once again underwent a period of instability and structural change. This was due to declining energy intensity, the energy transition, and the slow-down in global economic growth. Added to this were the huge effects of the coronavirus pandemic on the economy and society, which will continue to have an impact beyond 2020.

The Oiltanking network, which at year-end 2020 comprised 47 tank terminals in 21 countries with a total capacity of 18.5 million cbm, was confronted with a challenging market environment in 2020, but was able to realize solid to excellent results at almost all locations. The demand for tank capacity for petroleum products developed differently in the individual regions, while tank capacity demand for gas remained strong. Demand for tank storage capacity for chemicals dipped slightly, resulting in reduced throughputs.

Highlights in 2020 included the commissioning of Europe's largest butane tank at Oiltanking AGT in Antwerp and the start of operations at the MOGS Saldanha tank terminal in South Africa. The sale, for strategic reasons, of the Oiltanking Joliet tank terminal in Illinois, USA resulted in an extraordinary capital gain.

The company benefited from a contango situation in the oil markets, which led to good capacity utilization, and ended the year with an operative result well above budget. The EMEA region made the largest contribution to earnings, while APAC exceeded its budget by the greatest extent and Americas also produced good results.

In 2020, the focus was primarily on executing Oiltanking's Strategy 2025, whose core elements are maximizing the value of existing assets and promoting profitable growth with a focus on gas and chemicals. Other important elements are a reinforced customer focus, outstanding safety performance, and greater promotion of sustainability.

Further developments in 2020 included the implementation of a new business development structure and the advancement of new projects. In many areas, such as Commercial Excellence, Sustainability, and People & Culture, decisive foundations were laid for the company's successful further development.



**\*) Just get there.** The Vendée Globe is the world's toughest sailing regatta. Every four years, most recently in 2020, around 30 participants circumnavigate the globe alone, sailing non-stop. They cover 21,638 nautical miles (40,075 km) in just under 80 days. They face extreme exertion, lack of sleep, and loneliness, but also a feeling of great freedom. Actually completing it is the real challenge.



## EMEA

The performance of the EMEA region, which comprises Europe, the Middle East, and Africa, was in line with expectations in 2020. While Oiltanking once again reported high capacity utilization in the Middle East and mostly good capacity utilization in Europe, the sites in Africa were less successful.

### → BELGIUM

In October, **Oiltanking Antwerp Gas Terminal** successfully commissioned Europe's largest aboveground butane storage tank. The 135,000 cbm fully refrigerated butane tank doubles the site's storage capacity and is a first step in implementing the tank terminal's ambitious expansion plans. A second fully refrigerated tank for propane with identical dimensions is currently under construction. However, the 2020 result was lower than planned due to lower throughput and a slight delay in commissioning the butane tank.

Oiltanking has been involved in a sustainable methanol production project in the port of Antwerp since May 2020. A formal consortium with seven partners called "Power-to-Methanol Antwerp BV" was set up for this purpose. Oiltanking will contribute its expertise in the handling, storage, and transport of methanol.

Because of the coronavirus-related decline in throughput, **Oiltanking Stolthaven Antwerp** did not meet its 2020 budget target. This was due to a decrease in the throughput of products such as Ethylene Dichloride (EDC), Vinyl Acetate Monomer (VAM) and acrylates, which are used as feedstock in the construction and automotive industries, both of which experienced a drop in demand due to the pandemic. For 2021, the site expects a gradual recovery and improved capacity utilization.

**Oiltanking Ghent's** tank terminal achieved a satisfactory result, mainly resulting from a favorable price structure for jet fuel and a correspondingly good utilization rate. Demand for gasoline storage was also good, so that the tank terminal was fully utilized. Oiltanking Ghent also made progress in its capacity adjustments for customer requests related to methanol, sustainable jet fuel, and plant-based oils.

### → THE NETHERLANDS

**Oiltanking Amsterdam** ended 2020 with a positive result, but below budget. The main reason was lower jet fuel throughput at Schiphol Airport due to travel restrictions. Bio-fuels and higher gasoil volumes partially compensated for the decrease in throughput. Apart from the tanks undergoing maintenance, the tank terminal was fully utilized, and several contracts were renewed on good terms.



**Oiltanking Terneuzen** ended the financial year with a positive result below budget due to lower throughput than planned. The lower throughputs were mainly caused by reduced volumes from a major customer who had in turn experienced a decline in demand. Negotiations were held with a major chemicals company on a new construction project for the tank storage of propylene oxide.

### ↻ CENTRAL EUROPE

**Oiltanking Malta** closed 2020 with a good result that was significantly above budget. Tank terminal utilization was better than expected and rental rates were also higher than budgeted. In contrast, bunker oil storage declined, as bunker demand in the Mediterranean fell by more than half compared to the previous year.

### ↻ NORDIC COUNTRIES

**Oiltanking Copenhagen** had a good year, successfully commissioning 78,000 cbm of storage capacity including the related infrastructure in the fourth quarter of 2020. This created a motor-fuel distribution hub for one of the largest filling station operators in the Danish market. Together with an external partner, the first auction for storage capacity of refined products was also held, resulting in successful renting of the tank storage capacity.

**Oiltanking Finland** reported lower earnings than planned due to a year-on-year decline in throughput volumes. This resulted from refinery outages in Russia and the associated interruptions to supply flows, which also affected the tank terminal. Meanwhile, a positive development was the signing of a tank storage contract for crude tall oil for a major customer.

### ↻ MIDDLE EAST

The **Star Energy Oiltanking** joint venture in Dubai did a strong business and performed above plan, mainly due to higher revenues. These were owed to higher rates following the contango structure and compensating for lower jet fuel demand. Contracts with several major customers were successfully renewed, resulting in full utilization. There was strong demand for the newly built capacity for chemicals.

**Oiltanking Terminals** in Sohar, Oman, also benefited from the positive market structure. The tank terminal concluded two major contracts covering almost half of the site's total capacity. A new long-term contract was signed with an international petroleum company and a contract with an existing major customer was renewed. Nevertheless, throughput fluctuated, although at a good level overall.



\*) **Bridging gaps.** Since the summer of 2020, a step bridge has spanned Vøringsfossen, a well-known waterfall in Norway that plunges 182 meters into a gorge. The 99-step bridge crosses the gorge 50 meters above the waterfall. A perfect blend of architecture and nature. With a span of 47 meters, the bridge overcomes a height difference of 16 meters.



**Oiltanking Matola** in Mozambique once again ended the year well below budget as demand declined due to the complex situation at the border crossing between Mozambique and South Africa. Given its geographical location and some logistical challenges, Oiltanking Matola was not able to benefit from the contango structure. As the long-term outlook holds out little hope for improvement, Oiltanking sold the tank terminal in February 2021.

### ➤ SOUTH AFRICA

In 2020, **Oiltanking MOGS Saldanha** successfully commissioned its tank terminal comprising nine concrete tanks with a total capacity of 1.6 million cbm. Although the tank terminal benefited from a strong contango structure, coronavirus-related delays led to a result below budget. The tanks were fully leased after commissioning, with a strong international customer base. Oiltanking MOGS Saldanha is exploring opportunities to connect the tank terminal to neighboring refineries via pipeline connections in the future.

## Americas

The Americas region, comprising North and Latin America, experienced a successful year overall in 2020. Various influencing factors resulted in positive business developments in many places, while individual locations were confronted with a coronavirus-related decline in demand.

### ➤ USA

**Oiltanking Texas City** had a very successful year, closing with a result that surpassed both the budget and the previous year's result. This was due to increased throughput and improved capacity utilization, as well as an extensive cost-cutting program. A major new biofuel customer was won and there were several smaller projects that contributed to increased throughput. The coronavirus crisis had a significant impact on overall demand for petrochemicals in the U.S. Several refineries announced plans to permanently shut down or convert to biofuel production as demand for most petrochemicals declined sharply.

**Oiltanking Galveston County**, too, ended the financial year with higher capacity utilization than planned and a correspondingly good result.

The **Oiltanking Joliet** tank terminal in Illinois was successfully sold for strategic reasons, resulting in an extraordinary capital gain.



## ➤ ARGENTINA

**Oiltanking Ebytem** exceeded its budget targets despite a challenging business environment given local currency restrictions and the effects of the coronavirus crisis. At the Puerto Rosales tank terminal, crude oil exports were more than three times the previous year's figures. This positive trend is expected to continue going forward. The investment for a floating platform is still pending regulatory approval. Shale oil production at Vaca Muerta in the Neuquen basin increased sharply, replacing conventional oil production in the western part of the country.

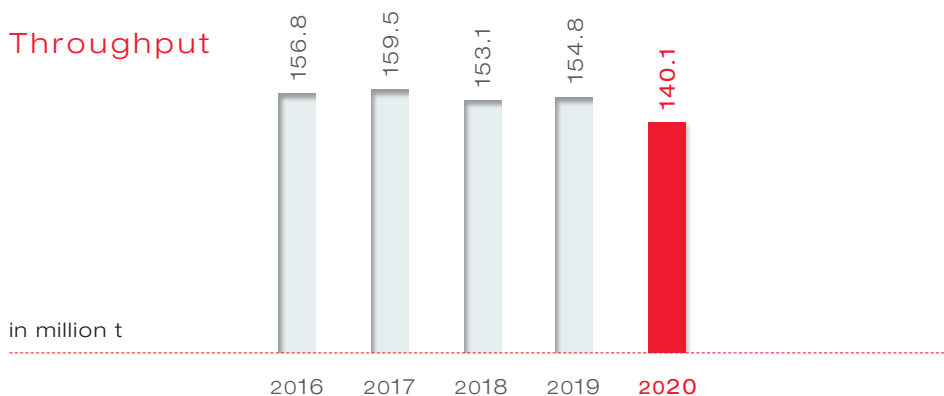
## ➤ BRAZIL

**Oiltanking Terminais** achieved full utilization of its tank capacities and likewise exceeded planned throughputs. This combination led to a good, above-budget result. However, currency effects impacted the operating result, and the effects of the coronavirus pandemic on tank terminal operations led to fluctuating throughputs throughout the year. However, the tank terminal benefited from rising diesel and gasoline prices, which were in line with crude oil prices.

During 2020, **Açu Petróleo**, which operates ship-to-ship handling at the Port of Açu, dredged the access channel and maneuvering area, slightly increasing the draft to ensure safe operations. It is expected that the number of ship-to-ship operations will increase, and that the company's current growth will continue. Meanwhile, options for expanding the range of services are being reviewed.

## ➤ MEXICO

**Oiltanking Mexico**, which provides operations management and engineering services for two tank terminals, recorded lower revenues due to the delayed commissioning of the Tuxpan tank terminal. This was partly offset by higher EPCM (Engineering, Procurement and Construction Management) revenues. Fuel demand recovered during the year. The future outlook is positive.





### ↻ COLOMBIA

**Oiltanking Colombia** recorded lower tank storage demand for oil and chemical products at the Mamonal tank terminal and the Puerto Bahía tank terminal, which is operated under an O&M (Operation & Maintenance) contract, due to coronavirus. New contracts were concluded, and existing ones extended, for the tank storage of ethanol.

### ↻ PANAMA

Despite significantly lower throughput due to the pandemic, the **Colon Oil and Services** tank terminal in Panama ended 2020 with a positive result, but below budget. An important contract was renewed, with the option for a further extension.

### ↻ PERU

In Peru, tank storage operations recorded a weak first half of the year and a good second half. Overall, tank terminal results were slightly above budget. **Terminales del Peru** was almost fully utilized in the second half of the year, and throughput in the fourth quarter was back at the previous year's level.

**Logistica de Quimicos del Sur**, which stores sodium hydrosulfides for mining companies at the port of Matarani, exceeded budget figures. The company expects business to continue to develop well in 2021.

**Oiltanking Andina Services** was also successful in 2020, and in early 2021 conducted negotiations to extend the contract for the marine platform operated in Pisco for at least five more years. A temporary supplementary contract was signed for the period until the contract is concluded.

## APAC

The APAC region, comprising the countries of Southeast plus China and India, had a challenging year in 2020, but one rich in opportunities as well, due to the contango market and coronavirus pandemic. This resulted in earnings significantly above budget. Government support measures to limit the coronavirus pandemic in Singapore and China had a positive impact on the companies' cost situation.

### ↻ SOUTHEAST ASIA

**Oiltanking Singapore** performed above budget and once again made a strong contribution to the region's results, although many of its multinational customers continued to cut costs. At the same time, high trading activity led to more blending and tank-to-tank transfers.





In November, a major petroleum company announced it would cut the Bukom refinery capacity by half as part of its efforts to reduce CO<sub>2</sub> emissions. Nevertheless, Singapore remains one of the world's most important energy/chemical hubs and the decision is not expected to have a major impact on Oiltanking.

**Oiltanking Singapore Chemical Storage** is structurally and contractually closely linked to a major customer's petrochemical plant in Seraya and is also connected via pipeline to other petrochemical processing plants in the area. The tank terminal ended 2020 above budget. Future plans include further expanding the portfolio of long-term customers.

**Oiltanking Helios** initially recorded low volumes at the beginning of 2020 as many traders adopted a wait-and-see attitude. Later, utilization picked up noticeably, in particular due to the increase in bunker fuels following the implementation of the IMO 2020 target, which stipulates lower sulfur emissions for bunker fuels.

**Jurong Port Tank Terminals** performed more blending and tank-to-tank transfers due to strong trading activity, resulting in a good, above-budget performance.

**Oiltanking Karimun** benefited from strong demand, resulting in full capacity utilization and higher-than-expected rates. The terminal was fully operational despite a lot of challenges due to the coronavirus pandemic. Thanks to its good location and strong business activities in the region, the tank terminal is heavily frequented by customers and business outlook will remain strong.

## 📍 CHINA

The Oiltanking sites in China reported higher-than-expected earnings in 2020. China was also the first country to recover from the coronavirus pandemic. Its economic strength already picked up in the second half of the year, reaching pre-pandemic levels.

**Oiltanking Nanjing's** tank terminal, an important methanol and ammonia hub, was able to maintain full capacity utilization and secure long-term contracts that minimized business volatility.

**Oiltanking Daya Bay** recorded an increase in utilization and throughput in the second half of the year, driven by the better upturn in economic activity at the Daya Bay Petrochemical Park. The strong sales performance was further boosted by the Chinese government's announcement to reduce the cost burden on companies. Future plans include an expansion of the tank terminal to further grow in the chemical and gas sectors.



**\*) New dimensions.** In New York, the world's narrowest skyscraper is being built to a height of 435 meters. The Steinway Tower reached its full height in 2020 and is scheduled to be ready for occupancy in 2021. With a height-to-width ratio of 1:24 (the usual is 1:7), the tower, which will house around 60 luxury apartments, not only plays with dimensions, but also places the highest demands on construction.



## ⇒ INDIA

The companies in India reported a lower profit than expected for 2020, primarily due to a negative currency effect from a U.S. dollar loan to a subsidiary. Excluding this non-operating effect, however, the operating performance was better than planned.

**IOT Navghar** recorded higher than expected activity levels as many major customers took the opportunity to import larger volumes given the contango market and low price levels.

The **IOT Raipur** and **IOT Paradip** tank terminals, operated as BOOT (Build, Own, Operate, Transfer) facilities, were covered by long-term contracts and therefore also hedged against lower refinery activity.

A tragic accident occurred at IOT Paradip in June 2020, when a contractor fell from a ladder during maintenance work and suffered a fatal accident. A detailed root cause analysis was carried out and measures were taken to prevent a recurrence of similar incidents worldwide. With the aim of improving the safety culture, an HSSE project was initiated at all Oiltanking sites and implemented with great success.

**IOT Goa** experienced lower activity due to the prolonged lockdown in India and an associated reduction in demand for tank storage at the Goa site.

## Outlook

The coronavirus crisis has not yet been overcome in 2021, although there are initial signs of improvement. The economic situation remains fragile. The decisive factor for future development is how quickly the pandemic can be contained and how quickly economies will recover afterwards.

Given the uncertain economic outlook, the international oil and energy markets will continue to be volatile in 2021. The trade conflicts between the U.S. and China, Brexit, and other geopolitical tensions will also have repercussions. In addition, it is foreseeable that the changing energy mix and stricter legislation to reduce CO<sub>2</sub> emissions will have a major impact on the markets in the next few years.

Oiltanking is closely monitoring these developments and their impact on the demand for tank capacity for petroleum products, gases, and chemicals, and is positioning itself accordingly as part of its portfolio management. In 2021, the company will focus on further implementing its Strategy 2025 and achieving its growth targets, particularly in the gas and chemical sectors. A resilient business model, sound financial strength, and talented and committed employees are important prerequisites for continuing our successful path.





M A B A N A F T

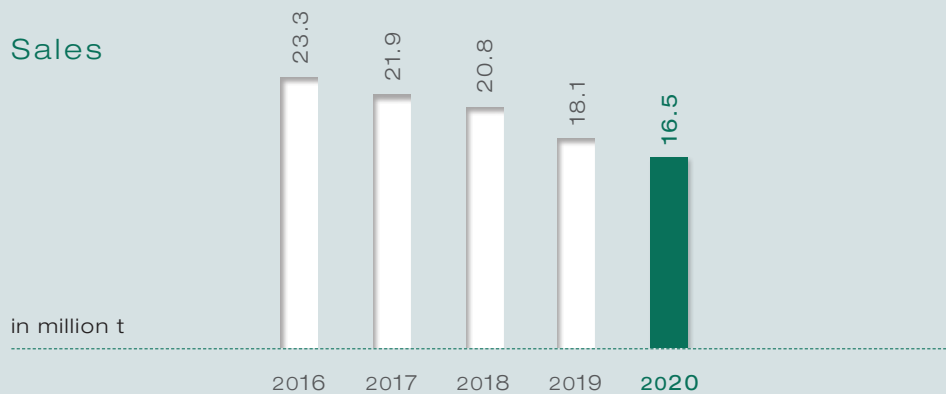
**\***) **Mabanaft** is a leading independent, integrated energy company that provides innovative energy solutions for transport, heating and industry. Trading petroleum products, liquefied gases and biofuels is both a passion and a challenge – especially in turbulent times such as the present.

# ENERGY TRADING

# TEAM SPIRIT

\* ) In 2020, Mabanaft experienced highly volatile markets and with even negative prices in the short term, which led to ups and downs in the trading business, while our retail businesses generated record results. In addition, we introduced a new organizational structure with the ONE Mabanaft strategy. It was a unique year but one that strengthened us. Our markets are changing and so are we.

*Jonathan Perkins, CEO Mabanaft*





## An Eventful Year for Mabanaft

The Mabanaft Group exceeded its 2020 targets despite a challenging market environment. While the trading business was disappointing in a turbulent market environment with strong volatility, the retail companies were able to generate record results.

For Mabanaft, too, 2020 was very heavily influenced by the coronavirus pandemic. In addition, the disagreement between the OPEC-plus countries regarding future production volumes had a complicating effect. Both factors together even overshadowed the other challenges – the U.S.-Chinese trade war, Brexit, and the IMO 2020 requirements to reduce the sulfur content of marine fuels to 0.5 percent. This overall challenging situation led to fundamental changes in the energy markets, accompanied by extreme volatility.

The global economic slump, driven primarily by the coronavirus crisis, led at times to a big gap between supply and demand in the oil market. Demand for oil fell sharply, causing prices to fall steeply in some cases. U.S. WTI crude oil fell into negative territory for a few days for the first time, reaching a historic low.

In this extremely challenging environment, Mabanaft experienced a year marked by both positive and negative developments: Strong performances were seen in Marketing, led by OIL! Tankstellen and Petronord, which exceeded their targets by more than double. The integration of Oiltanking Deutschland (OTD) and its tank terminals into the Mabanaft organization was completed, further strengthening physical supply. Meanwhile, Mabanaft succeeded in entering new markets, including storage and pipeline activities in the U.S. and the physical supply of new products to China and other regions in Asia. In the aviation business, which trades jet fuel, Mabanaft succeeded in entering aviation supply in Scandinavia.

In addition, Mabanaft 2020 pursued the further diversification of its portfolio, away from oil products toward LPG and joint ventures for sustainable and clean fuels.

In a challenging market environment, the Mabanaft Group successfully held its ground and achieved good results. In 2020, it sold around 16.5 million tons of petroleum products, biofuels, gas, and other energy products.



**\*) Testing the limits.** The Ultra Mirage El Djerid is no walk in the park. The run crosses 100 km of the Sahara, in blistering heat and with the occasional sandstorm. While many competitions, including the Olympic Games, were canceled because of the pandemic, the desert race held in northwestern Tunisia took place as scheduled in 2020. 221 participants started, and the first runners reached the finish line a good twelve hours later.





At the end of November 2020, the Group announced the implementation of the ONE Mabanaft strategy to build on Strategy 2025 and adapt the corporate structures to the new market requirements. The new corporate structure is based on three newly established business units:

- Supply, Infrastructure & Trading
- Marketing
- New Energy, Chemicals & Gas

Strategic areas of activity are assigned to the business units: Supply, Infrastructure & Trading will focus on optimizing earnings from the existing portfolio. Marketing will primarily expand business in the central areas of transport, heating, and industry and align it more closely to customer needs. Finally, New Energy, Chemicals & Gas will develop innovative, lower-carbon energy solutions to meet increasing customer demand for sustainable products and open up new markets.

A global Deal Life Cycle (DLC) organization was also introduced in Finance at the beginning of April. The DLC function is represented by five central key functions supported by regional teams that report to the Group CFO. Several risk and monitoring initiatives were also implemented during the year to further strengthen the trading organization in its operations.

## SUPPLY, INFRASTRUCTURE & TRADING

### 📍 GERMANY

**Mabanaft Deutschland's** overall performance was unsatisfactory due to the significant decline in economic activity in Germany. According to the Working Group on Energy Balances (Arbeitsgemeinschaft Energiebilanzen), energy consumption in Germany had fallen by seven percent by the end of 2020.

The drop in prices combined with low end-consumer stocks led to increased marketing activity in the heating oil sector in mid-2020. Negative effects were seen in biofuels used for blending, as demand for road fuels declined overall. In contrast, demand for tank space for petroleum products was positive, due to the contango situation.

As in the previous year, the MabaLive online platform was very well received by customers and recorded an increase in trading activity.

Based on the contracts concluded in 2020 and in anticipation of a gradually recovering market environment, Mabanaft Deutschland expects sales volumes to be more stable overall in 2021.



**Oiltanking Deutschland** was confronted with challenges due to pandemic-related protective measures, although its overall business performance was positive. Low prices in the first half of the year led to strong demand, especially in the heating-oil storage sector. This ensured high capacity utilization at all sites, culminating in a gratifying, above-budget result.

### 📍 SINGAPORE

**Mabanaft Pte.** faced particularly difficult market conditions in Asia, along with the collapse of some major regional players. As a result, there was a tightening of credit and less willingness among banks to engage in trade financing. Trade margins came under further pressure, and general price volatility made risk management a key task. Due to stringent monitoring, there were no defaults, but the 2020 result was below expectation and in the negative.

The impact of Chinese imports and exports on all products continues to grow, making participation in this market increasingly central to the success of the trading books. The physical platform for middle distillates was expanded in 2020. Additional storage capacity was leased to enhance blending and arbitrage opportunities, and participate in global tenders. The trading team built additional capacity to focus on new markets, particularly China.

### 📍 USA

Houston-based **Mabanaft Energy Trading** suffered significant trading losses in the first quarter as the anticipated trading opportunities under IMO 2020 requirements failed to materialize, exacerbated by extreme volatility in product prices. However, Mabanaft Energy Trading recovered in the second and third quarters, and in the final quarter of the year the market stabilized and the realization of contango positions began to have an effect. Nevertheless, the budget targets for 2020 were not met.

During the year, the company expanded its physical presence in the key New York Harbor market, the U.S. Midwest, along the Gulf Coast and Colonial Pipeline, and the import-export markets to further expand downstream operations.

## Marketing

### 📍 UNITED KINGDOM

**Mabanaft Ltd.** achieved results above budget in 2020, partly thanks to the execution of a number of contango storage transactions with maturities until 2021 and 2022.

As in other locations, the change in consumer demand for petroleum products had a significant impact in the U.K., where lockdown measures restricted people's freedom of movement. Sales of kerosene for heating oil purposes flourished, with consumers benefiting from low prices. Diesel sales remained stable as the transport of essential goods continued during lockdown.



**\*) Dual use**. Drinking water is scarce, but seawater is plentiful. Singapore's fourth desalination plant went live in 2020 and has since produced around 130,000 cbm of drinking water per day. What makes the plant special is that it is designed to treat both seawater and freshwater from the Marina Reservoir – underground and using reverse osmosis.



Following the successful acquisition of the Junction 29 and Avon Lodge truckstops, Mabanaft continues to pursue its strategy of building a network of strategically located truckstops throughout the U.K.'s road transport network. March 2021 saw another addition with the Ulceby truck stop in Immingham.

The repercussions of the pandemic for the aviation sector were severe. Jet fuel sales fell to near zero during the first lockdown. Demand for air travel returned in the summer months, but this was followed by further national flight bans throughout Europe by the fall. As a result, the aviation business was 60 to 70 percent below budget.

In this difficult market, the U.K. team nevertheless managed to successfully establish the aviation business in Scandinavia under **Mabanaft Energy Scandinavia**. The first jet fuel supplies were made to Oslo Airport, leading to a small positive result in 2020. A further expansion of the jet fuel business is being pursued.

**B.W.O.C.** realized an excellent result despite the challenging market environment. Revenue targets were exceeded by over 30 percent, with all business units posting record profits. The fuel-card business in particular was very successful, based on a strong customer focus with improved communication and a tailored pricing platform.

Lynx Fuels, a distribution arm of B.W.O.C., also delivered record profits, up by more than 250 percent year-on-year. Lynx opened its third site in Lincolnshire at the end of 2020.

**Thomas Silvey** successfully integrated Mabanaft Ltd.'s fuel-card division (Onroute) into its own fleet card business at the beginning of the year. To minimize the negative financial impact of the coronavirus pandemic, the trading strategy was reviewed, and planned investments were postponed.

During the year, good progress was made in the development of fleet services in line with the company's "Beyond Fuels" strategy.

## 🔄 HUNGARY

For **Mabanaft Hungary**, the year was dominated by the negative effects of the economic slowdown, falling oil prices, a significant currency devaluation, and the associated increased competitive pressure. As a result, sales volumes did not reach the record level of 2019, but a clearly positive result was achieved, only slightly below budget. Due to lockdowns, expansion in the end-user sector slowed, and some projects were postponed to the first half of 2021.



## ➤ GERMANY

The **Petronord Group** made profitable use of the market opportunities arising in 2020 and achieved a record result that was well above budget. The companies benefited from exceptional and countercyclical demand for heating oil towards the end of the first quarter. This was accompanied by satisfactory margins that lasted well into the summer. As the year progressed, demand for heating oil declined again, but overall the 2020 heating-oil business closed with an excellent result.

Both the service station business for commercial motor transport and the lubricants business were initially in decline at the start of the pandemic. While the service station business operated under tankpool24 gradually recovered in the second quarter, the lubricants business fell short of expectations. This reflects the impact of the restrictions on the industrial sector and export business. By contrast, good sales results were achieved in both the direct diesel and the bitumen business.

The integration of the two associated companies acquired in the summer of 2020 into the Swedish network was successfully completed.

The **OIL! Tankstellen** service-station business once again achieved a record result, well above the budget. Several new sites were added to the network during the year, while a few old sites were decommissioned. At year-end, OIL! operated 336 locations in Germany, Austria, Switzerland and Denmark.

Sales volume decreased due to the coronavirus pandemic, with fewer travelers and workers driving during lockdown. However, the shop business once again made a strong contribution to the overall result.

Over the course of the year, OIL! Tankstellen invested in modernizing existing sites and in AdBlue dispensers. The country-specific OIL! websites, including the OIL! partner site, were redesigned with a view to increasing the brand's visibility.

The conversion of the service stations is now 60 percent complete. Together with the company's strong customer focus, this helped OIL! earn the customer vote as Germany's top service brand in 2020/21.

## ➤ MARINE BUSINESS

The Marine segment was changeable in 2020, much like the international bunkering market. While the IMO 2020 regulation to reduce the sulfur content of marine fuels to 0.5 percent came into effect and provided opportunities in the first quarter of 2020, demand later dropped sharply as a result of the pandemic.



**Mabanaft Deutschland's** heavy-fuel-oil book delivered strong results, as the business with industrial customers remained stable and generated good margins. Opportunities were maximized by blending bunker oil with low-priced components.

**Bomin U.S.** was very successful at the beginning of the year, but later suffered from a massive drop in demand. Nevertheless, a profit was achieved.

## New Energy, Chemicals & Gas

### ↪ NEW ENERGY

To further diversify its product portfolio toward synthetic fuels, also known as E-Fuels, in November Mabanaft signed an agreement with H&R Refining to establish a joint venture – **P2X Europe** – to market power-to-X products (e-Fuels and synthetic raw waxes). The power-to-X products will be purchased by P2X Europe and marketed through the joint venture partners' distribution channels.

This cooperation is an important step for Mabanaft to be able to offer its customers additional innovative energy solutions for their transport, heating, and industrial needs. Mabanaft aims to be one of the first companies in Germany to supply its customers with CO<sub>2</sub>-neutral e-Fuels through its extensive network of tank terminals, service stations, and wholesale supply locations.

In addition, Mabanaft became a founding member of **AquaVentus** association, a pioneering project for the offshore production of green hydrogen in the North Sea. Given the EU and Germany's aim of becoming climate-neutral by 2050, the production of green hydrogen from renewable energies at sea can make a significant contribution to this goal.

In January 2021, Mabanaft and HIF (Highly Innovative Fuels) signed a memorandum of understanding for the purchase and sale of up to 500 million liters per year of climate-neutral e-fuels from the plants of the HIF projects in Chile. Construction of the first plant is scheduled to start in 2022.



**\*) Fighting climate change.** Nine of the ten warmest years since regular weather records began were measured in the 21<sup>st</sup> century. As temperatures rise, so does the risk of bushfires and wildfires, as shown by the 2020 events in Australia and California. One response to this is the use of fire-fighting aircraft and helicopters. Even more important, however, is combating the causes.



\*)

\*) **Crucial minutes.** Launched at the end of July 2020, NASA's rover "Perseverance" landed on Mars on February 18, 2021, to search for signs of life in rock samples. The landing was challenging: a landing parachute deployed, a heat shield was jettisoned, and braking rockets fired. The space agency spoke of "seven minutes of terror."





## ⇒ CHEMICALS

Mabanaft took the first steps to diversify its portfolio towards the chemicals markets in line with the Group's strategy. An agreement for the purchase of ammonia and the participation in **Gulf Coast Ammonia** (GCA) had already been concluded in late 2019. In 2020, GCA began the construction of an ammonia plant with a daily production of approximately 3,600 tons, which is expected to start operations in the first quarter of 2023. To date, the project has proceeded on budget and on schedule. In addition to the traditional use of ammonia in fertilizers and industrial processes, a promising new market potential is developing for ammonia as a carbon-free marine fuel and as an attractive transport and storage medium for hydrogen.

Looking ahead to the planned start of ammonia deliveries in 2023, Mabanaft has already made organizational arrangements so as to be prepared for this new business.

## ⇒ GAS

The LPG trading activities operated from Singapore increased in the first half of 2020, with sales to the Indian Ocean markets building on the established base of long-term supply contracts in the U.S. and China. However, regional activities were reduced to better manage risk following the turbulence in the first half of the year.

## Outlook

Looking ahead to 2021, considerable uncertainty remains in all Mabanaft business units with regard to the coronavirus situation.

The market is expected to remain weaker until mid-2021, when vaccinations will increase significantly and begin to have a positive impact. Global stock levels are also expected to normalize during 2021. The impact of the CO<sub>2</sub> tax in Germany from January 2021 is expected to lead to reduced wholesale demand for heating oil. A sustained recovery in demand for transport fuels, which will subsequently also impact demand for jet fuel, gasoline, and diesel, will take time beyond 2021.

The Mabanaft Group is well positioned to take advantage of market opportunities arising from the change in the energy mix. This is supported by its strong supply and tank storage infrastructure in Germany, its presence in global trading locations, its customer-focused distribution network, and its diversification into alternative energy segments including gas and chemicals.

In line with the ONE Mabanaft strategy, the focus will be on further implementing the business unit structure to maximize the integrated margin for the Group and realize a strong result.



\*)



# Skytanking

**\***) Skytanking provides services related to aviation refuelling. Day and night. Worldwide. The principal challenge is to carry out all activities in accordance with the highest standards. For all their routine and experience, employees must always be mindful that they work in a highly sensitive area. There can be no compromise when it comes to safety.

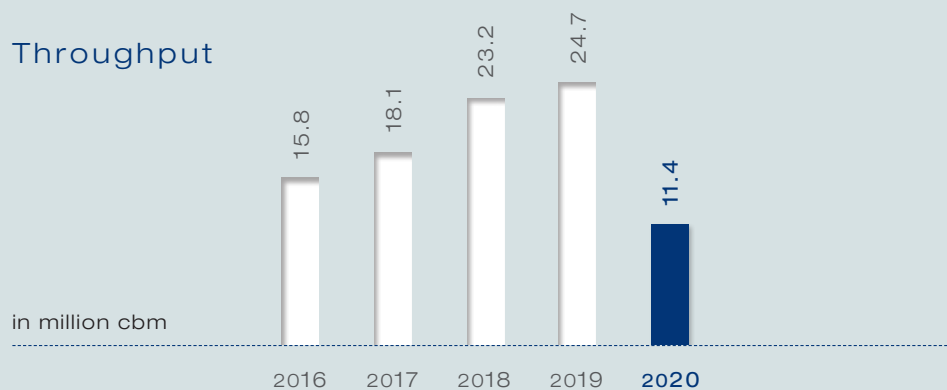


## AVIATION FUELLING

# REALIGNMENT

**\***) Due to travel restrictions resulting from the coronavirus pandemic, activity levels at airports dropped to unprecedented lows and caused major restructuring of our business. At the same time, safety remained our number one priority, as did redesigning our strategy to take advantage of opportunities that will present themselves once the recovery has begun.

*Gerard Reumer, CEO Skytanking*





## Skytanking Experiences Massive Slump

The Covid crisis plunged the aviation industry – and therefore Skytanking – into its most severe crisis to date, and further accelerated the ongoing consolidation process in the industry. With a view to securing Skytanking's long-term strategic prospects, Marquard & Bahls decided to sell the company at the end of 2020.

The airline industry was hit extremely hard by the Covid-related travel restrictions in 2020. Passenger kilometers flown fell by 66 percent over the year, while air freight traffic fared better, declining by around 10 percent. Statistics from the industry association IATA confirm the dramatic slump and put the combined loss of revenue worldwide at over \$500 billion.

Similar developments were seen at Skytanking, which suffered revenue declines of up to 70 percent. Drastic cost-cutting measures and short-time work were the consequence, but only offset the negative effects to a small extent. Against this backdrop, Marquard & Bahls decided to find a strategic partner who will better be able to support Skytanking in pursuing its strategy to remain competitive in the long term in an ever-changing market environment.

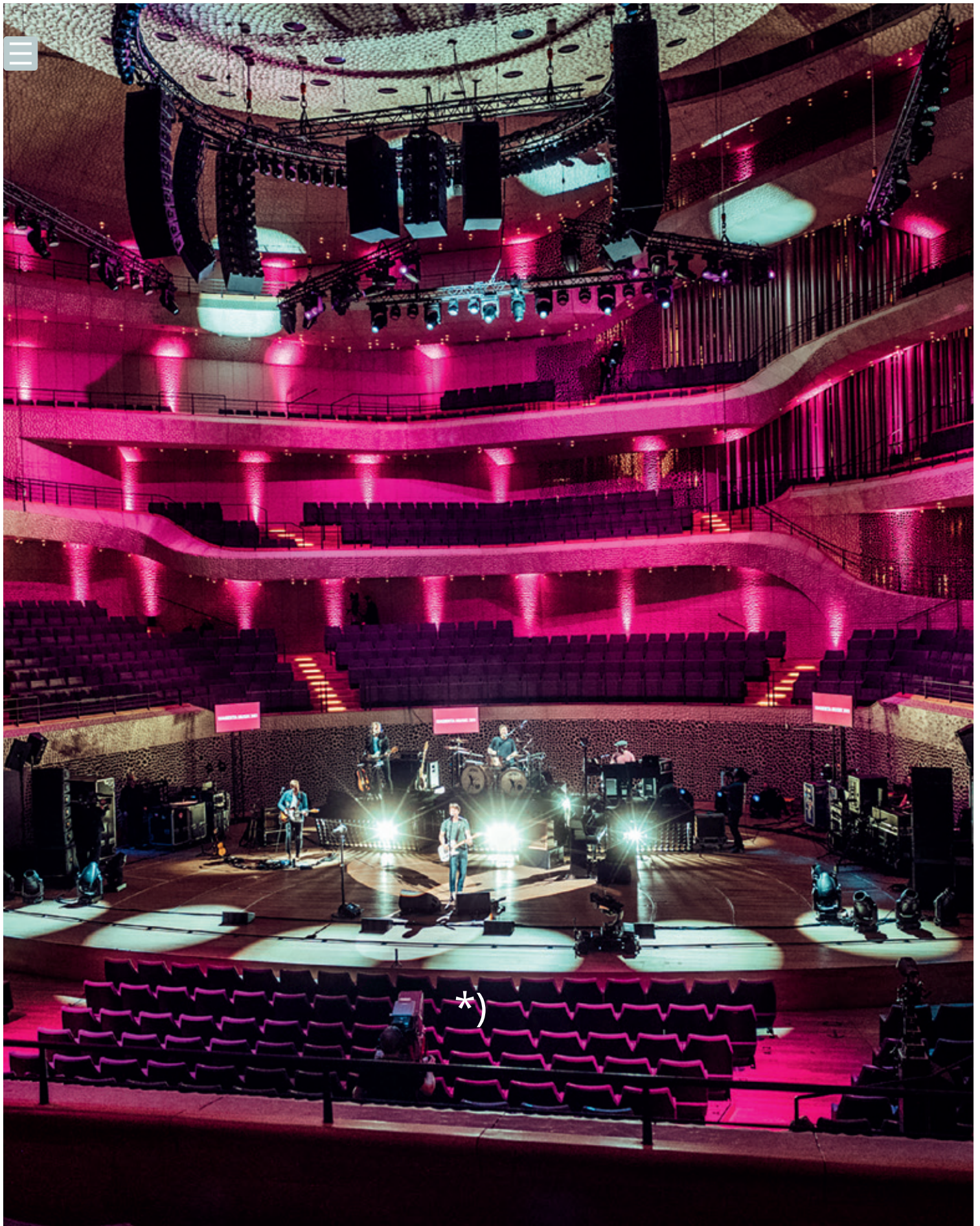
On December 30, 2020, Marquard & Bahls AG signed an agreement with PrimeFlight Aviation Services, Inc. for the sale of its 100% holding in Skytanking Holding GmbH and its shareholdings. Following regulatory approvals, the transaction closed on March 31, 2021. The purchase price consists of cash and shares in PrimeFlight, so Marquard & Bahls will own a minority stake in PrimeFlight and thus an indirect participation in Skytanking from now on.

Skytanking handled 24.7 million cbm of aviation fuel per year before the pandemic, refuelling over 2 million aircraft. In 2020, throughput was a mere 11.4 million cbm of aviation fuel; Skytanking fuelled around 953,000 aircraft worldwide. The company currently has operations at 82 airports in 14 countries in Europe, Asia, Africa, North America and, since 2020, Australia.

## Europe

### 📍 GERMANY, SWITZERLAND, AUSTRIA

After years of successful growth, the GSA region faced a sharply declining market in 2020 due to the coronavirus pandemic. Apart from a modest upturn during the summer, the remaining months were well below budget. One exception to this negative trend was the Cologne site, which benefited from strong freight business.



\*) **Virtual concert.** The coronavirus crisis prevented almost all events in 2020. But many artists and cultural figures went online with livestreams, including British singer-songwriter James Blunt, who performed to empty seats at the Elbphilharmonie Hamburg in March 2020 as part of the Street Gig series. The performance was streamed live and broadcast on several channels – reaching around 1.7 million fans.



In 2020, volumes and the number of fuelling operations both fell by around two thirds year-on-year. This drop in revenues was only partially offset by cost reductions. Almost all airports were unprofitable. As a result, the region was forced to initiate its largest restructuring program to date, which also included redundancies and downsizing. In addition, fierce competition and the negative outlook resulted in the closure of the site at Hamburg Airport.

On the positive side, Skytanking was able to start operations at Berlin Brandenburg Airport on October 29, 2020.

A gradual recovery in air traffic is expected in 2021. With the lower cost base due to the completed restructuring, Skytanking is well positioned in GSA to benefit from this upturn and is optimistic about its long-term development, especially as it was able to defend its strong market position at most locations.

#### ➤ BENELUX-FRANCE

The airports in Brussels, Paris and Luxembourg were severely affected by the coronavirus pandemic, with volumes down by more than 80 percent in April and May. Overall, in 2020 volumes fell by nearly 50 percent year-on-year at the Brussels site – with the subsidiaries **Skytanking NV**, which offers into-plane services, and **Hydrant Refuelling System NV** for tank terminal and hydrant operations – and at Paris Charles de Gaulle Airport.

The decline at Luxembourg Airport, where **Luxfuel SA** is the sole provider of into-plane services and tank terminal operations, was limited to about 10 percent, as it functions mainly as a cargo-handling airport.

As expected, earnings in the Benelux-France region were significantly below budget.

The outlook for 2021 is cautiously optimistic, as a gradual recovery of the market situation is expected.

#### ➤ SPAIN

In light of the coronavirus crisis, 2020 was a very challenging year for **Skytanking Spain**. Tourism, which is an important economic factor for Spain, was affected overall, and consequently so was the aviation industry. Operations at Barcelona, Valencia, Málaga, and Palma de Mallorca airports, which are among Spain's ten largest airports, experienced a dramatic decline, both in terms of volume and the number of fuelling operations.

The budget was recalculated in April 2020, taking into account the revised pandemic-related assumptions. The year-end result was markedly negative, also due to the high depreciation on the newly acquired refuelling truck fleet.



A gradual return to 60 to 70 percent of the activity level seen in 2019 is expected in Spain in 2021. Skytanking will continue its efforts to improve its market position and look for opportunities to expand its network in Spain.

#### ⇒ MALTA

In 2020, **Skytanking Ltd.** additionally faced the challenge of competing with the national fuelling company, which also owns and manages the tank terminal facilities. The impact of the pandemic further exacerbated the situation, as the only airport in Malta was virtually closed for nearly two months. At year-end, earnings were below budget, as expected.

Despite these challenges, operations continued throughout the year even while cost-cutting measures were being implemented. The company used the downtime for maintenance work to prepare for a revived market once travel picks up again. Based on current estimates, a positive result is expected in 2021.

#### ⇒ UNITED KINGDOM

The joint venture **North Air**, operating at 19 airports in the U.K., faced a complex market situation in 2020. One cause was the coronavirus pandemic, another was Brexit.

North Air was forced to reduce its core activities, but managed to keep the business profitable in 2020, although earnings were down by around a third year-on-year.

The outlook for 2021 remains challenging for North Air. However, the company is confident that it will be able to further expand its portfolio.

#### ⇒ TURKEY

As a result of the pandemic, air traffic also declined sharply in Turkey, so that **Skytanking Ovenon** posted a markedly negative result.

The company responded to the collapsing market by cutting costs and personnel and adjusting existing contracts. It further expanded its customer portfolio with the addition of O&M sites in Izmir and Bodrum. Another gratifying development was the acquisition of a first refuelling license at Antalya Airport.

By 2022, it is expected that only 70 percent of the 2019 volume can be achieved. However, as Skytanking Ovenon has restructured all customer contracts with this assumption in mind, a positive result is expected again in 2021.





## India

**IndianOil Skytanking** succeeded in winning three new sites: Goa, Tuticorin, and Tirupati, although they started up later than planned due to the nationwide closures caused by the coronavirus pandemic.

Flight operations at the country's three largest airports came to a virtual standstill in April due to the restrictions imposed by the government. The company used this time to train staff, continue projects related to operational shutdowns, and implement cost-saving measures. In addition, important expansion projects at Bangalore Airport were successfully completed and put into operation.

Due to the sharp decline in volumes, IndianOil Skytanking's result fell short of budget. However, thanks to the cost-cutting measures initiated and a broad portfolio of 23 sites with various business models, the company reported/ended the year with a positive result.

Given new airport projects as well as BOOT projects, O&M contracts, and the general growth of the Indian aviation sector, IndianOil Skytanking expects business to develop positively in 2021.

## South Africa

**Skytanking Calulo** operated in a difficult economic environment in 2020 and was additionally affected by government-imposed lockdowns related to the coronavirus pandemic.

At mid-year, revenues were 94 percent below budget, which led to a significant operating loss as well as staff reductions.

The easing of the nationwide lockdown measures towards the end of the first half of the year led to a moderate return of business and thus to an increase in sales volumes. The lifting of restrictions on essential international travel also triggered an increase in throughput from August to October 2020. At the end of October 2020, sales volumes were 64 percent below the forecast budget.

The further development of the location is closely linked to economic developments in connection with the pandemic.



**\*) Remeasured.** Only one ascent of Mount Everest took place in 2020 due to the pandemic. In May, a Chinese survey team climbed to the summit to remeasure its altitude in cold and extreme conditions. In December 2020, China and Nepal jointly announced the new official height of Mount Everest as 8,848,86 meters – 86 centimeters more than previously assumed.



## USA

The coronavirus pandemic significantly slowed the growth dynamic of **Skytanking North America**. Still in start-up mode, the company was unable to realize the growth expected for 2020. All international flights were suspended and domestic flight volumes declined by 70 to 80 percent in the second half of the year.

Nevertheless, the company was able to minimize the impact of the pandemic due to the provision of U.S. economic stimulus programs and by exercising lease options on equipment already purchased.

Despite the complexities of 2020, Skytanking North America was able to open another location, New Orleans.

The company's future development will largely depend on the aviation market's ability to recover quickly from the slump. Skytanking North America remains optimistic and strives for future growth.

## Outlook

At the end of December 2020, an agreement for the sale of Skytanking Holding GmbH and its shareholdings was signed with PrimeFlight. After completion of regulatory approvals, the transaction closed on March 31, 2021, making Skytanking a wholly-owned subsidiary of PrimeFlight.

Skytanking has found a new committed owner in PrimeFlight, which will support and promote the company in the long term. Both partners can benefit from the synergies: While Skytanking can expand its service portfolio, PrimeFlight's acquisition of Skytanking adds some 80 locations to its network. The combined company will be one of the industry's largest, providing aviation support services at over 200 locations around the world.

Marquard & Bahls will remain affiliated with Skytanking and will hold a minority stake in PrimeFlight in future, thereby indirectly participating in Skytanking.



Fuel Analysis





## GMA Records Positive Business Performance

Gesellschaft für Mineralöl-Analytik und Qualitätsmanagement (GMA) once again realized a good annual result in 2020, to which both sites contributed.

Both Frankfurt, where the energy and fuel laboratory is located, and the quality management and consulting unit in Hamburg, recorded a positive business performance.

During the course of the year, thousands of power and fuel samples as well as blending components of predominantly regenerative origin were analyzed for Group companies and for external customers. However, due to the pandemic, the laboratory utilization was lower than expected.

Nevertheless, sales of fuel additives developed well. This was due to both a new contract and high demand for heating oil in the first half of 2020. As a result, the overall result was significantly above plan.

GMA was also involved in national and international standardization committees and helping to further develop product standards and laboratory test methods. Training activities and lectures on current topics took place in 2020, too, albeit mainly online.

Apart from this, the company was involved, as an associated partner of a consortium, in a research project that aims to achieve sustainable mobility with synthetic fuels. It also advised sister companies in connection with the development of climate-neutral energy sources.

GMA expects its business to continue to do well in 2021.

# PRECISION





## Marquard & Bahls Makes Investments in the Future

As part of its future strategic direction, Marquard & Bahls is exploring investment opportunities in existing markets and the energy & chemicals sectors. The aim is to further diversify the portfolio to prepare the company for a sustainable future.

In 2020, Marquard & Bahls made investments in the areas of climate-neutral synthetic fuels and gas.

### Climate-neutral synthetic fuels

As a first step into the renewable fuels sector, Marquard & Bahls acquired a minority stake in **Nordic Blue Crude** end of December 2019. This was complemented by an agreement in October 2020 under which Marquard & Bahls will further increase its shareholding in the Norwegian company and commit to equity financing once the final investment decision for the first plant has been made. Marquard & Bahls is thus consolidating its position as lead investor and taking an active role in the long-term development of Nordic Blue Crude.

The Norwegian company is on track to establish the first industrial-scale power-to-liquid project. Nordic Blue Crude plans to build an e-fuel plant at Herøya industrial park in Porsgrunn, 150 km southwest of Oslo, with an annual production capacity of 10 million liters of synthetic hydrocarbon. Renewable electricity, water, and CO<sub>2</sub> derived from industrial emissions will be used as raw materials. The Blue Crude produced is carbon-neutral and represents a 100% reduction in CO<sub>2</sub> emissions compared to fossil fuels. The product mix, after the refining stage, consists of kerosene (jet fuel), diesel, naphtha, and wax.

### Energy

In line with its objective of building an innovative portfolio, particularly in the energy & chemicals sectors, in 2020 Marquard & Bahls acquired a stake in **Superior Plus**, a Toronto-based, publicly listed company active in the distribution of propane gas. At the end of 2020, this minority stake exceeded 10 percent and as of April 2021 it stands at 16 percent.

Superior Plus is an energy company focusing on the North American market. Its business encompasses distribution and retail marketing of propane-related products, as well as distribution of liquid fuels. In Canada, Superior Plus is the number one propane distributor.

Marquard & Bahls will continue to pursue its course of a more diversified and sustainable portfolio in the next few years.

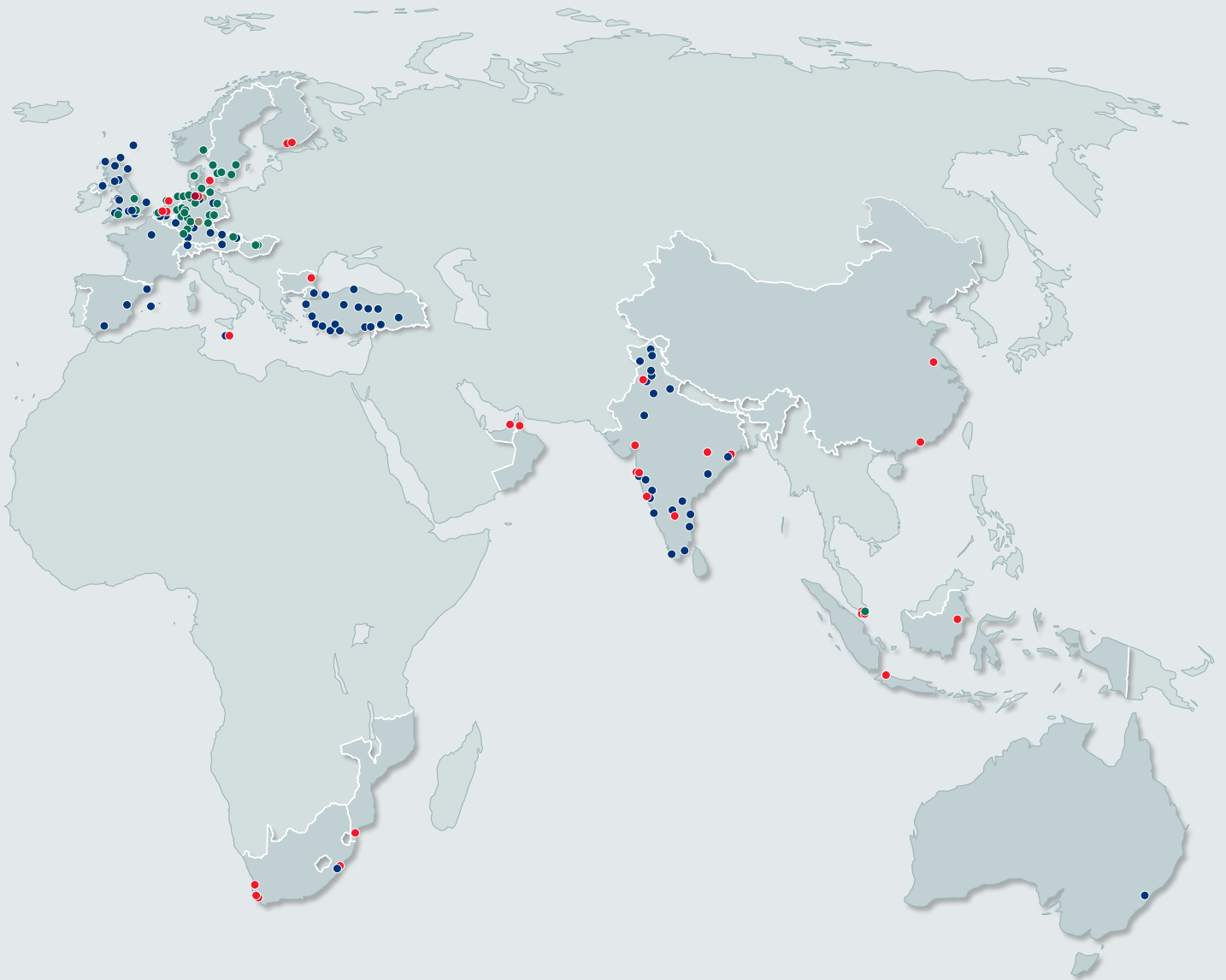


## \* ) Sites Worldwide



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





As of: December 31, 2020



## Report of the Supervisory Board

During the 2020 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 18, 2021. The financial statements have thus been approved. The Supervisory Board concurs with the Executive Board's dividend proposal.

Hamburg, May 18, 2021

Daniel Weisser  
Chairman of the Supervisory Board



# Consolidated Financial Statements 2020



**Consolidated Statement  
of Financial Position**

**Consolidated Statement  
of Comprehensive Income**

**Auditor's Opinion**

# CONFIRMATION



## Consolidated Statement of Financial Position

as at 31 December, 2020

### Assets (in k€)

#### A. Non-current assets

I. Intangible assets	154,793
II. Tangible assets	3,261,618
III. Investments accounted for using the equity method	281,230
IV. Other investments	200,556
V. Deferred taxes	47,813
VI. Non-current receivables and other assets	19,785
VII. Derivative financial instruments	7,882
	<b>3,973,677</b>

#### B. Current assets

I. Inventories	
1. Inventories, raw material and supplies	2,959
2. Inventories, goods and finished products	415,673
3. Advance payments	231
	418,863
II. Current receivables and other assets	
1. Trade receivables	529,181
2. Receivables – affiliated companies	555
3. Receivables – associated companies	6,949
4. Receivables owed by related companies	525
5. Current finance lease receivables	17
6. Other financial receivables and current assets	129,339
7. Current assets from other taxes	220,333
8. Current income tax receivables	33,603
9. Other current non-financial assets	16,868
	937,369
III. Derivative financial instruments	26,511
IV. Marketable securities	870,178
V. Cash and cash equivalents	254,731
	<b>2,507,652</b>

#### C. Assets held for sale from discontinued operations and disposal groups

	97,008
<b>Total</b>	<b>6,578,337</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	2,615,097
4. Reserve for changes in value	-34,113
5. Currency translation adjustments	-208,177
	2,625,743
II. Non-controlling interests	331,577
	<b>2,957,320</b>

### B. Non-current liabilities

I. Non-current liabilities	
1. Non-current liabilities due to banks	901,197
2. Non-current lease liabilities	406,578
3. Other non-current financial liabilities	41,828
4. Other non-current non-financial liabilities	966
5. Non-current tax liabilities	94
	1,350,663
II. Non-current provisions	157,284
III. Derivative financial instruments	46,293
IV. Deferred taxes	194,440
	<b>1,748,681</b>

### C. Current liabilities

I. Current liabilities	
1. Current liabilities due to banks	650,459
2. Trade accounts payable	471,465
3. Current liabilities due to affiliated companies	2,723
4. Current liabilities due to associated companies	8,342
5. Current liabilities due to related companies	253
6. Other current lease liabilities	26,497
7. Other current financial liabilities	128,009
8. Other current non-financial liabilities	45,218
	1,332,966
II. Derivative financial instruments	38,372
III. Current accruals	
1. Tax accruals	36,822
2. Other current provisions and accrued liabilities	98,417
	135,239
IV. Current liabilities from other taxes	288,378
V. Current liabilities from income taxes	5,021
	<b>1,799,975</b>

### D. Liabilities from discontinued operations and disposal groups

	<b>72,361</b>
<b>Total</b>	<b>6,578,337</b>



# Consolidated Statement of Comprehensive Income

for the period from January 1 to December 31, 2020

(in k€)

1. Revenues	9,183,035
2. Own work capitalized	8,390
3. Other operating income	413,345
<b>4. Total operating revenues</b>	<b>9,604,770</b>
5. Cost of sales	
a. Cost of raw materials and supplies and purchased goods	-8,029,064
b. Cost of purchased services	-319,849
6. Personnel expenses	
a. Wages and salaries	-254,155
b. Social security and expenses for pension commitments	-42,666
7. Other operating expenses	-344,337
<b>8. Result from trading operations</b>	<b>614,699</b>
9. Income from investments in subsidiaries	35,278
<b>10. EBITDA</b>	<b>649,977</b>
11. Amortization and depreciation on intangible and tangible fixed assets	-297,150
<b>12. EBIT</b>	<b>352,827</b>
13. Income from fixed assets investments in securities and loans	103,710
14. Interest income and similar income	6,230
15. Write-off of financial assets	-862
16. Interest expenses and similar expenses	-79,600
17. Result from changes in value of derivative financial instruments	-2,586
18. Result from changes in value fair value option	-201,133
<b>19. Financial result</b>	<b>-174,239</b>
<b>20. Net result before income tax</b>	<b>178,588</b>
21. Income tax	-24,972
<b>22. Consolidated net result from continued operations before allocation to shareholders</b>	<b>153,616</b>
23. Net income from discontinued operations	-29,143
<b>24. Consolidated net result before allocation to shareholders</b>	<b>124,473</b>
thereof:	
net result attributable to equity holders of the parent	98,692
net result attributable to minority interests	25,781

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



(in k€)

<b>24. Consolidated net result</b>	<b>124,473</b>
Items that are or may be reclassified subsequently to profit and loss	
25. Exchange differences on translating foreign operations	-127,427
26. Transfer of exchange differences on translating foreign operations from loss of control	-156,801
27. Cash flow hedges	1,836
28. Share of other comprehensive income of associated companies	-44,183
29. Income tax	220
thereof arising from cash flow hedges	0
thereof arising from associates	220
	<b>-326,356</b>
Items that will not be reclassified to profit and loss	
30. Change in value of FVOCI financial assets	-214,227
31. Actuarial losses arising from defined benefit obligations	-1,724
32. Share of other comprehensive income of associates	-2
33. Income tax	67
thereof FVOCI financial assets	332
thereof components of defined benefit obligations	-265
	<b>-215,886</b>
<b>34. Other comprehensive result for the year</b>	<b>-542,241</b>
<b>35. Total comprehensive result for the year</b>	<b>-417,769</b>
thereof:	
total comprehensive result attributable to owners of the parent	-429,077
total comprehensive result attributable to minority interests	11,309



## Independent Auditor's Report

Above we published the incomplete Marquard & Bahls AG's consolidated financial statements as of December 31, 2020. The consolidated financial statements as of December 31, 2020, 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, 2020, and the group management report for the financial year 2020 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, 2020, 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, 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Marquard & Bahls Aktiengesellschaft for the financial year from January 1 to December 31, 2020.

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, 2020, and of its financial performance for the financial year from January 1 to December 31, 2020, 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.

### **Other Information**

Management is responsible for the other information. The other information comprises the other parts of the annual report. The other information does not include the reduced consolidated statement of financial position and the consolidated statement of comprehensive income nor the group management report information audited for content and our auditor's report thereon.

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 31, 2021

KPMG AG  
Wirtschaftsprüfungsgesellschaft

*(Original German version signed by:)*

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

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



## MARQUARD & BAHL AG

Hamburg, Germany

### OILTANKING GMBH

Hamburg, Germany

#### EMEA

Oiltanking Amsterdam B.V.  
Amsterdam, Netherlands  
Oiltanking Antwerp Gas Terminal NV  
Antwerp, Belgium  
Oiltanking Bulgaria A.D.  
Varna, Bulgaria  
Oiltanking Copenhagen A/S  
Copenhagen, Denmark  
Oiltanking Finance B.V.  
Amsterdam, Netherlands  
Oiltanking Finland Oy  
Kotka, Finland  
Oiltanking Ghent NV  
Ghent, Belgium  
Oiltanking Grindrod Calulo Proprietary Limited  
Cape Town, South Africa  
Oiltanking Malta Ltd.  
Birzebbugia, Malta  
Oiltanking MOGS Saldanha (RF) Proprietary Limited  
Cape Town, South Africa  
Oiltanking Stolthaven Antwerp NV  
Antwerp, Belgium  
Oiltanking Terminals & Co. LLC  
Sohar, Oman  
Oiltanking Terneuzen B. V.  
Terneuzen, Netherlands  
Star Energy Resources Ltd.  
Dubai, United Arab Emirates

#### Americas

Açu Petroleo S.A.  
Rio de Janeiro, Brazil  
Colon Oil and Services S.A.  
Panama City, Panama  
Consorcio 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 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

#### Supply, Infrastructure & Trading

Mabanaft Deutschland GmbH & Co. KG  
Hamburg, Germany  
Mabanaft Energy Trading Inc.  
Houston, USA  
Mabanaft Pte. Ltd.  
Singapore  
Oiltanking Deutschland GmbH & Co. KG  
Hamburg, Germany  
Oiltanking Hungary Kft.  
Budapest, Hungary  
Oiltanking Tanklager Waltershof GmbH & Co. KG  
Hamburg, Germany  
TransTank GmbH  
Gelsenkirchen, Germany  
Weser Tanking GmbH & Co. KG  
Bremen, Germany

#### Marketing

AUSTROLUB GmbH & Co. KG  
Vienna, Austria  
BAT Auerswalde Nord GmbH & Co. KG  
Heidenau, Germany  
Benol Energieservice GmbH  
Frankfurt/Main, Germany  
Böttcher Energie GmbH & Co. KG  
Regensburg, Germany  
BOMIN Bunker Oil Corp.  
Houston, USA  
B.W.O.C. Limited  
Weston-super-Mare, United Kingdom  
Deglmann Energie GmbH & Co. KG  
Weiden/Oberpfalz, Germany  
EAG Energie Abrechnungs- und Service GmbH  
Hiddenhausen, Germany  
Fundins Olja AB  
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