



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 878 679 172  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: SHELL NEW ENERGIES NORWAY AS  
Forretningsadresse: Karenslyst allé 2  
0278 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Magne Novak  
Dato for fastsettelse av årsregnskapet: 24.06.2019

### Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert  
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 03.11.2020



## Resultatregnskap

| Beløp i: NOK                                 | Note  | 2018               | 2017               |
|--|-------|--------------------|--------------------|
| <b>RESULTATREGNSKAP</b>                      |       |                    |                    |
| <b>Inntekter</b>                             |       |                    |                    |
| Sales income                                 | 3     | 450 089 712        | 486 127 378        |
| Other operating income                       | 4,8   | 9 586 053          | 10 554 938         |
| <b>Sum inntekter</b>                         |       | <b>459 675 765</b> | <b>496 682 316</b> |
| <b>Kostnader</b>                             |       |                    |                    |
| Materials, goods and services                |       | 460 497 628        | 469 563 019        |
| Other Operating expenses                     | 6,7,8 | 26 138 846         | 33 414 927         |
| <b>Sum kostnader</b>                         |       | <b>486 636 474</b> | <b>502 977 946</b> |
| <b>Driftsresultat</b>                        |       | <b>-26 960 709</b> | <b>-6 295 630</b>  |
| <b>Finansinntekter og finanskostnader</b>    |       |                    |                    |
| Renteinntekt fra foretak i samme konsern     | 8     | 161 698            | 187 529            |
| Other Finance Income                         | 2     | 2 991 348          | 40 073             |
| <b>Sum finansinntekter</b>                   |       | <b>3 153 046</b>   | <b>227 602</b>     |
| Rentekostnad til foretak i samme konsern     | 8     | 31 931             | 4 211              |
| Other Financial expenses                     | 2,12  | 58 920             | 3 880 953          |
| <b>Sum finanskostnader</b>                   |       | <b>90 851</b>      | <b>3 885 164</b>   |
| <b>Netto finans</b>                          |       | <b>3 062 195</b>   | <b>-3 657 562</b>  |
| <b>Ordinært resultat før skattekostnad</b>   |       | <b>-23 898 514</b> | <b>-9 953 192</b>  |
| Tax credit/(expense)                         | 13    | -5 479 425         | -2 396 619         |
| <b>Ordinært resultat etter skattekostnad</b> |       | <b>-18 419 089</b> | <b>-7 556 573</b>  |
| <b>Årsresultat</b>                           |       | <b>-18 419 089</b> | <b>-7 556 573</b>  |
| <b>Overføringer og disponeringer</b>         |       |                    |                    |
| Transfer to other equity                     | 14    | -18 419 089        | -7 556 573         |
| <b>Sum overføringer og disponeringer</b>     |       | <b>-18 419 089</b> | <b>-7 556 573</b>  |



### Balanse

| Beløp i: NOK                          | Note  | 2018               | 2017               |
|---------------------------------------|-------|--------------------|--------------------|
| <b>BALANSE - EIENDELER</b>            |       |                    |                    |
| <b>Anleggsmidler</b>                  |       |                    |                    |
| <b>Immaterielle eiendeler</b>         |       |                    |                    |
| Utsatt skattefordel                   | 13    | 0                  | 40 575             |
| <b>Sum immaterielle eiendeler</b>     |       | <b>0</b>           | <b>40 575</b>      |
| <b>Finansielle anleggsmidler</b>      |       |                    |                    |
| Other Long Term receivables           | 11    | 0                  | 308 718            |
| <b>Sum finansielle anleggsmidler</b>  |       | <b>0</b>           | <b>308 718</b>     |
| <b>Sum anleggsmidler</b>              |       | <b>0</b>           | <b>349 293</b>     |
| <b>Omløpsmidler</b>                   |       |                    |                    |
| <b>Varer</b>                          |       |                    |                    |
| <b>Fordringer</b>                     |       |                    |                    |
| Accounts receivables                  | 11    | 57 115 427         | 64 232 420         |
| Other short-term receivables          | 9,10  | 64 332 700         | 75 253 227         |
| <b>Sum fordringer</b>                 |       | <b>121 448 127</b> | <b>139 485 647</b> |
| <b>Sum omløpsmidler</b>               |       | <b>121 448 127</b> | <b>139 485 647</b> |
| <b>SUM EIENDELER</b>                  |       | <b>121 448 127</b> | <b>139 834 940</b> |
| <b>BALANSE - EGENKAPITAL OG GJELD</b> |       |                    |                    |
| <b>Egenkapital</b>                    |       |                    |                    |
| <b>Innskutt egenkapital</b>           |       |                    |                    |
| Share Capital                         | 14,15 | 50 000 000         | 50 000 000         |
| <b>Sum innskutt egenkapital</b>       |       | <b>50 000 000</b>  | <b>50 000 000</b>  |
| <b>Opptjent egenkapital</b>           |       |                    |                    |
| Other equity                          | 14    | -115 375           | -176 286           |
| <b>Sum opptjent egenkapital</b>       |       | <b>-115 375</b>    | <b>-176 286</b>    |



## Balanse

| <b>Beløp i: NOK</b>             | <b>Note</b> | <b>2018</b>        | <b>2017</b>        |
|---------------------------------|-------------|--------------------|--------------------|
| <b>Sum egenkapital</b>          |             | <b>49 884 625</b>  | <b>49 823 714</b>  |
| <b>Sum langsiktig gjeld</b>     |             | <b>0</b>           | <b>0</b>           |
| <b>Kortsiktig gjeld</b>         |             |                    |                    |
| Leverandørgjeld                 | 10,11       | 29 240 127         | 42 709 160         |
| Other payables and accruals     | 10          | 42 323 375         | 47 302 066         |
| <b>Sum kortsiktig gjeld</b>     |             | <b>71 563 502</b>  | <b>90 011 226</b>  |
| <b>Sum gjeld</b>                |             | <b>71 563 502</b>  | <b>90 011 226</b>  |
| <b>SUM EGENKAPITAL OG GJELD</b> |             | <b>121 448 127</b> | <b>139 834 940</b> |



## Skattedirektoratet

|                              |   |                             |
|------------------------------|---|-----------------------------|
| Saksbehandler<br>Rune Tystad | Deres dato<br>31.01.2017                  | Vår dato<br>13.02.2017      |
| Telefon<br>977 59 464        | Deres referanse<br>Håvard Zeller-Sørensen | Vår referanse<br>2017/96981 |

A/S Norske Shell  
Postboks 40  
4098 TANANGER

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Shell Marine Products AS, org.nr. 878 679 172

Vi viser til deres brev mottatt 31. januar 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Shell Marine Products AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Shell Marine Products AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Fra deres søknad gjengis:

*Shell Marine Products(org nr. 878 679 172) er et kontraktsselskap som eier kontrakter med internasjonale marine kunder. Selskapet kjøper smøreoljeprodukter fra andre Shell-selskaper og selger disse videre til sine kunder. Det er ingen ansatte i selskapet, da de kjøper tjenester fra morselskap A/S Norske Shell og Danske Shell. Selskapet er et heleid datterselskap av AS Norske Shell som igjen er heleid av selskap i utlandet.*

*Engelsk er det klart dominerende språket i bransjen og konsernets arbeidsspråk er engelsk. Styret består av personer som har engelsk som primært arbeidsspråk. Regnskapet utarbeides følgelig på engelsk da dette er det språket som er nødvendig for å kommunisere med konsernselskap og styret. Det er ingen forhold rundt selskapets finansiering som skulle tilsi behov for regnskap på norsk, da selskapet ikke har noe ekstern gjeld. Etter vår vurdering er det ingen mulige brukere av årsregnskapet som blir negativt påvirket av at regnskapet kun utarbeides på engelsk, da alle aktører i bransjen antas å ha god kjennskap til det engelske språket.*

### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan

|  |  |  |
|--|--|--|
| Postadresse<br>Postboks 9200 Grønland<br>0134 Oslo | Besøksadresse:<br>Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a><br>Org.nr: 996250318<br>E-post: <a href="mailto:skatteetaten.no/sendepost">skatteetaten.no/sendepost</a> | Sentralbord<br>800 80 000<br>Telefaks<br>22 17 08 60 |
|--|--|--|



være på et annet språk.”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er et heleid datteselskap og at eierkretsen derfor er begrenset. Videre er det vektlagt at selskapet opererer innen en internasjonal bransje og at det antas at ingen mulige brukere av årsregnskapet blir negativt påvirket av at regnskapet kun utarbeides på engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Rune Tystad

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



Statsautoriserte revisorer  
Ernst & Young AS

Vassbotnen 11a Forus NO-4313 Sandnes  
Postboks 8015 NO-4068 Stavanger

Foretaksregisteret: NO 976 389 387 MVA  
Tlf: +47 24 00 24 00

www.ey.no  
Medlemmer av Den norske revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Shell Marine Products AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Shell Marine Products AS, which comprise the balance sheet as at 31 December 2018, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.





Building a better  
working world

Stavanger, 25 June 2019

ERNST & YOUNG AS

Erik Søren  
State Authorised Public Accountant (Norway)



Shell Marine Products AS

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Organization no. 878 679 172

**Annual Report 2018**  
**for**  
**Shell Marine Products AS**

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Shell Marine Products AS

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## Annual report 2018

### Business

Shell Marine Products AS (hereinafter referred to as "the Company") is a wholly-owned subsidiary of A/S Norske Shell and is part of the Downstream sector.

The Company is a contracting company that owns contracts with international marine customers. The Company purchases lubricating oil products from other Shell companies and sells them on to its customers for use in marine transport, offshore operations and other marine activities. The Company also provides technical and commercial advice.

The staff providing services to the Company are employees of the parent company. Also, personnel related administrative services are mainly received from the parent company. Technical services, marketing activities, activities such as handling customer enquiries, billings, and managing accounts receivable/payable are performed and managed centrally in the Shell Marine Business with teams spread across all their Shell offices.

The business is operated from the Company's premises in Oslo.

### Going concern

The management approved the plan for liquidation of the Company end of 2018 and the management believes that the preparation of financial statements on a going concern basis is henceforth inappropriate. The Company has therefore, prepared the financials on a break up basis and this has resulted in all assets and liabilities being classified as short-term, as the intention is to settle all the balances within 12 months after the reporting period.

### Operations

In 2018, the Company continued to maintain a solid customer portfolio. The Company has transferred its customer contracts during Q1 2019 to Shell Marine Products Singapore ("SMPS") as a part of Shell group's business model simplification process. It is planned to liquidate the Company by end of 2019. After the transfer, the employees' costs under AS Norske Shell will be charged out to SMPS.

### Risks

The Company has little exposure to credit risk, as the experience is that losses on accounts receivable are usually marginal. The Company is only exposed to a small extent to liquidity related risks. The Company assumes a certain currency exchange risk, as it has elected not to hedge its foreign currency exposure.

### Other

The Company expects to initiate the liquidation process in Q4 2019. There have not been any events since the end of the year that affect the Company's financial position.

There are no research and development activities in the Company, but the Company has access to the Shell Group's R&D knowledge and this is used actively in the sales process.

The Company's business does not affect the external environment directly, and it experienced no personnel injuries in 2018.



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The working environment, absence due to illness and equal opportunities, etc. for employees that have performed services for the Company, is described in the Annual Report of A/S Norske Shell.

There are two female Directors.

For more information, please refer to the notes to the financial statements.

Stavanger/Oslo/Hamburg, 24.06.2019

Harald Børre Jacobsen  
Chairman of the Board of Directors

Magne Novak  
General Manager

Palhegyi Kinga  
Director

Birthe Nylund Sundt  
Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

(in NOK)

|  | Note  | 2018                | 2017               |
|--|-------|---------------------|--------------------|
| Discontinued operations  |       |                     |                    |
| <b>OPERATING INCOME AND EXPENSES:</b>                            |       |                     |                    |
| <b>OPERATING INCOME</b>  |       |                     |                    |
| Sales income   | 3     | 450,089,712         | 486,127,378        |
| Other operating income   | 4,8   | 9,586,053           | 10,554,938         |
| <b>TOTAL OPERATING INCOME</b>                                    |       | <b>459,675,765</b>  | <b>496,682,316</b> |
| <b>OPERATING EXPENSES</b>  |       |                     |                    |
| Materials, goods and services                                    |       | 460,497,628         | 469,563,019        |
| Other operating expenses   | 6,7,8 | 26,138,846          | 33,414,927         |
| <b>TOTAL OPERATING EXPENSES</b>                                  |       | <b>486,636,474</b>  | <b>502,977,946</b> |
| <b>OPERATING (LOSS)/PROFIT</b>                                   |       | <b>(26,960,709)</b> | <b>(6,295,630)</b> |
| <b>FINANCE INCOME &amp; FINANCE EXPENSES:</b>                    |       |                     |                    |
| <b>FINANCE INCOME</b>  |       |                     |                    |
| Interest income from group companies                             | 8     | 161,698             | 187,529            |
| Other finance income   | 2     | 2,991,348           | 40,073             |
| <b>TOTAL FINANCE INCOME</b>                                      |       | <b>3,153,046</b>    | <b>227,602</b>     |
| <b>FINANCE EXPENSES</b>  |       |                     |                    |
| Interest expense to group companies                              | 8     | 31,931              | 4,211              |
| Other finance expense  | 2, 12 | 58,920              | 3,880,953          |
| <b>TOTAL FINANCE EXPENSES</b>                                    |       | <b>90,851</b>       | <b>3,885,164</b>   |
| <b>NET FINANCE ITEMS</b>   |       | <b>3,062,195</b>    | <b>(3,657,562)</b> |
| <b>NET (LOSS)/PROFIT BEFORE TAX FROM DISCONTINUED OPERATIONS</b> |       | <b>(23,898,514)</b> | <b>(9,953,192)</b> |
| Tax credit/(expense)   | 13    | 5,479,425           | 2,396,619          |
| <b>NET (LOSS)/PROFIT FROM DISCONTINUED OPERATIONS</b>            |       | <b>(18,419,089)</b> | <b>(7,556,573)</b> |
| <b>TRANSFERS AND DISPOSITIONS</b>                                |       |                     |                    |
| Provisions for dividend  | 14    | -                   | -                  |
| Transfer to other equity   | 14    | (18,419,089)        | (7,556,573)        |
| <b>TOTAL TRANSFERS AND DISPOSITIONS</b>                          |       | <b>(18,419,089)</b> | <b>(7,556,573)</b> |



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## BALANCE SHEET AS AT 31 DECEMBER 2018

(in NOK)

| ASSETS                          | Note  | 2018               | 2017               |
|---------------------------------|-------|--------------------|--------------------|
| <b>NON-CURRENT ASSETS</b>       |       |                    |                    |
| Deferred tax asset              | 13    | -                  | 40,575             |
| Other long-term receivables     | 11    | -                  | 308,718            |
| <b>TOTAL NON-CURRENT ASSETS</b> |       | -                  | <b>349,293</b>     |
| <b>CURRENT ASSETS</b>           |       |                    |                    |
| <b>Receivables</b>              |       |                    |                    |
| Accounts receivables            | 11    | 57,115,427         | 64,232,420         |
| Other short-term receivables    | 9, 10 | 64,332,700         | 75,253,227         |
| <b>TOTAL CURRENT ASSETS</b>     |       | <b>121,448,127</b> | <b>139,485,647</b> |
| <b>TOTAL ASSETS</b>             |       | <b>121,448,127</b> | <b>139,834,940</b> |



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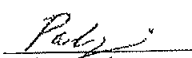
## BALANCE SHEET AS AT 31 DECEMBER 2018 (CONTINUED)

|   |        | (in NOK)           |                    |
|---|--------|--------------------|--------------------|
|   | Note   | 2018               | 2017               |
| <b>EQUITY AND LIABILITIES</b>             |        |                    |                    |
| Paid-up equity capital                    |        |                    |                    |
| Share capital                             | 14, 15 | 50,000,000         | 50,000,000         |
| <b>TOTAL PAID-UP SHAREHOLDERS' EQUITY</b> |        | <b>50,000,000</b>  | <b>50,000,000</b>  |
| Retained earnings                         |        |                    |                    |
| Retained earnings                         | 14     | (115,375)          | (176,286)          |
| <b>TOTAL RETAINED EARNINGS</b>            |        | <b>(115,375)</b>   | <b>(176,286)</b>   |
| <b>TOTAL EQUITY CAPITAL</b>               |        | <b>49,884,625</b>  | <b>49,823,714</b>  |
| <b>LIABILITIES</b>                        |        |                    |                    |
| <b>Current liabilities</b>                |        |                    |                    |
| Accounts payable                          | 10, 11 | 29,240,127         | 42,709,160         |
| Other payables and accruals               | 10     | 42,323,375         | 47,302,066         |
| <b>TOTAL CURRENT LIABILITIES</b>          |        | <b>71,563,502</b>  | <b>90,011,226</b>  |
| <b>TOTAL LIABILITIES</b>                  |        | <b>71,563,502</b>  | <b>90,011,226</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>       |        | <b>121,448,127</b> | <b>139,834,940</b> |

Stavanger/Oslo/Hamburg, 24.06.2019

  
 Harald Børre Jacobsen  
 Chairman of the Board of Directors

  
 Magne Novak  
 General Manager

  
 Palhegyi Kinga  
 Director

  
 Birthe Nylund Sundt  
 Director



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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

(in NOK)

|   | 2018                  | 2017                  |
|---|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                                 |                       |                       |
| Loss before tax from discontinued operations.                               | (23,898,514)          | (9,953,192)           |
| <u>Non-cash adjustment to reconcile profit before tax to net cash flows</u> |                       |                       |
| Unrealized foreign exchange (gain)/loss                                     | (2,677,568)           | 2,979,072             |
| Interest expense  | 31,931                | 4,211                 |
| Interest income   | (161,698)             | (227,602)             |
| <b>Operating profit before working capital changes</b>                      | <b>(26,705,849)</b>   | <b>(7,197,511)</b>    |
| Movements in working capital:   |                       |                       |
| (Decrease) in Account payables  | (13,448,139)          | (5,645,806)           |
| (Decrease)/increase in Other payables and accruals                          | (4,977,921)           | 13,986,852            |
| Decrease in Accounts receivables  | 9,551,472             | 13,223,272            |
| <del>Decrease in Other receivables</del>                                    | <del>29,077,112</del> | <del>25,894,027</del> |
| <b>Cash generated from/(used in) operations</b>                             | <b>(6,503,325)</b>    | <b>40,260,834</b>     |
| Direct taxes paid (net of refunds)  | 5,493,647             | (1,309,674)           |
| <b>Net cash flow from/(used in) operating activities (A)</b>                | <b>(1,009,678)</b>    | <b>38,951,160</b>     |
| <b>Cash flows from investing activities</b>                                 |                       |                       |
| Interest received   | 161,698               | 187,529               |
| <b>Net cash flow from/(used in) investing activities (B)</b>                | <b>161,698</b>        | <b>187,529</b>        |
| <b>Cash flows from financing activities</b>                                 |                       |                       |
| Movements with STCL   | 879,911               | (24,644,990)          |
| Group Relief paid   | -                     | (3,888,671)           |
| Dividends Paid  | -                     | (10,600,817)          |
| Interest paid   | (31,931)              | (4,211)               |
| <b>Net cash flow from/(used in) financing activities (C)</b>                | <b>847,980</b>        | <b>(39,138,689)</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>         | <b>-</b>              | <b>-</b>              |
| Cash and cash equivalents at the beginning of the year                      | -                     | -                     |
| <b>Cash and cash equivalents at the end of the year</b>                     | <b>-</b>              | <b>-</b>              |



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## Notes to the financial statements

### 1. Accounting principles

The annual statements were prepared in accordance with the Norwegian Accounting Act of 1998. They were prepared in accordance with Norwegian accounting rules and standards. There were no changes to the accounting principles this year.

The immediate parent Company is A/S Norske Shell.

The ultimate parent Company and controlling party is Royal Dutch Shell plc, which is incorporated in England and Wales. Royal Dutch Shell plc is the parent undertaking of the largest group to consolidate these accounts.

The consolidated accounts of Royal Dutch Shell plc are available from:

Royal Dutch Shell plc  
Tel: +31 888 800 844  
email: [order@shell.com](mailto:order@shell.com)

### Assets and Liabilities in Foreign Currency

Cash items in foreign currency are translated at the prevailing exchange rate as on the date of the balance sheet.

### Receivables

Accounts receivables and other receivables are recorded at face value after deduction of provisions for expected losses. Provision for losses are made on the basis of an individual assessment of each claim.

### Accrual of income

Income on the sale of goods is accrued at the time of delivery. Services are accrued concurrently with performance. The portion of sales revenue related to future service performance is recognized in the balance sheet as unearned income at the time of the sale and recognized thereafter as income in time with delivery.

### Bank deposits

Bank deposits include cash, time deposits with bank and short-term investments with a maturity of three months or less from the time of acquisition. The bank deposit is included in a Zero-balancing Group agreement requiring that the bank account is swept into a top account, of which the Company's accumulated balance is decisive for whether there is a current receivable or payable.

### Current tax and deferred taxes

The tax expense is related to the accounting profits and consists of the tax payable and changes in deferred taxes. The applicable tax rate for ordinary tax is used for the calculation of the tax expense.

In the balance sheet, deferred taxes are calculated on the positive temporary differences between the accounting and tax related balance sheet values after reconciliation of negative temporary differences.

A provision for deferred taxes according to the liability method without discounting has been made. Deferred tax liabilities and deferred tax assets are represented by a net amount in the balance sheet.



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Notes to the financial statements (continued)

1. Accounting principles (continued)

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method of the Norwegian Accounting Standard.

2. Other finance income & expense

The company's purchases and sales are accounted in USD. Thus, the profit margin is exposed to foreign currency exchange risk. Currency exchange losses and gains are recognized via the income statement as part of other finance income/expense and are as follows:

|                              | (in NOK)  |             |
|------------------------------|-----------|-------------|
|                              | 2018      | 2017        |
| <b>Other finance expense</b> |           |             |
| Net currency loss            | -         | (3,801,835) |
| Bank charges                 | (58,920)  | (79,118)    |
|                              | (58,920)  | (3,880,953) |
| <b>Other finance income</b>  |           |             |
| Net currency gain            | 2,991,348 | -           |
| Interest on tax receivable   | -         | 40,073      |
|                              | 2,991,348 | 40,073      |

3. Sales revenue

The Company's sales revenue is from the sale of international marine products and all income in 2018 is related to the sale of Marine lubrication oil.

4. Other operating income

The Company's other income includes commission received from Intragroup companies based on their Marine Lubrication services where the Company does not sell directly to its customers. Income from Services relates to technical services that the Company offers to its customers

|                      | (in NOK)  |            |
|----------------------|-----------|------------|
|                      | 2018      | 2017       |
| Commission received  | 1,166,697 | 1,034,938  |
| Income from services | 8,419,356 | 9,520,000  |
|                      | 9,586,053 | 10,554,938 |

5. Losses on accounts receivable

No losses have been recognised against accounts receivable in the current year.



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## 6. Remuneration to members of management

All personnel administration is governed by different Service Level Agreements between Shell Marine Products AS and its internal Group service providers. Shell Marine Products AS itself has no employees but procures all types of services from other Shell companies. The total recognized amount for these services, including the wages of the general manager of NOK 2,038,597 amounted to NOK 7,596,919 in 2018.

The fee recognized for mandatory audit services amounts to NOK 86,885 excluding VAT. No compensation has been paid to the Directors.

## 7. Number of employees

The company has no employees. Administrative services are mainly purchased from A/S Norske Shell, which also ensures compliance with the requirements related to mandatory company pension.

## 8. Transactions with related parties and others

(in NOK)

|                               | 2018               | 2017                |
|-------------------------------|--------------------|---------------------|
| <b>Other operating income</b> |                    |                     |
| Other group companies         | (1,179,237)        | (1,113,134)         |
| Others                        | (8,406,816)        | (9,441,804)         |
| <b>Total income</b>           | <b>(9,586,053)</b> | <b>(10,554,938)</b> |

|   | 2018               | 2017               |
|---|--------------------|--------------------|
| <b>Operating expenses</b>                     |                    |                    |
| Shell Eastern Trading (PTE) Limited           | 137,296,390        | 140,698,521        |
| Shell Nederland Verkoopmaatschappij B.V.      | 34,402,869         | 35,688,973         |
| Shell Markets (Middle East) Limited           | 26,476,327         | 24,907,556         |
| Shell Deutschland Oil GmbH                    | 23,641,239         | 21,091,207         |
| Hankook Shell Oil Co Ltd                      | 39,575,779         | 9,977,435          |
| Other group companies                         | 20,419,209         | 20,827,354         |
| Others  | 178,685,815        | 216,371,972        |
| <b>Purchases</b>                              | <b>460,497,628</b> | <b>469,563,019</b> |
| Shell International Petroleum Company Limited | 15,930,159         | 22,216,487         |
| A/S Norske Shell                              | 10,569             | 9,349,483          |
| Other group companies                         | 90,471             | 225,985            |
| Others  | 10,107,647         | 1,622,972          |
| <b>Other costs</b>                            | <b>26,138,846</b>  | <b>33,414,927</b>  |
| <b>Total operating expenses</b>               | <b>486,636,474</b> | <b>502,977,946</b> |

|  | 2018             | 2017             |
|--|------------------|------------------|
| <b>Finance (income)/expenses from group companies</b>    |                  |                  |
| Shell Treasury Centre Limited                            | (161,698)        | (187,529)        |
| <b>Finance income from group companies</b>               | <b>(161,698)</b> | <b>(187,529)</b> |
| Shell Treasury Centre Limited                            | 31,931           | 4,211            |
| <b>Finance expense from group companies</b>              | <b>31,931</b>    | <b>4,211</b>     |
| <b>Net finance (income)/expense from group companies</b> | <b>(129,767)</b> | <b>(183,318)</b> |



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The input for the table is based on incoming and outgoing invoices and accruals recorded in 2018 and 2017 comparatives.

9. Bank deposits and other cash equivalents (Zero-Balancing)

The bank accounts of the Company are part of a Group account system called Zero-Balancing. This means that accounts are swept daily into a top-level account in which accumulated receivables or payables are reported as claims or liabilities against Shell Treasury Company Limited (STCL). As of 12/31/2018, the Company's outstanding balance from STCL amounted to NOK 16,477,845 and is part of the claim on inter-group companies (Please refer to Note 10 below). There are no joint and several liabilities for the Group account arrangement.

10. Accounts between companies in the same corporate group

(in NOK)

|                              | 2018       | 2017       |
|------------------------------|------------|------------|
| Other short-term receivables |            |            |
| - Related parties            | 55,614,662 | 43,814,798 |
| - Others                     | 8,718,038  | 31,438,429 |
|                              | 64,332,700 | 75,253,227 |
| Account payables             |            |            |
| - Related parties            | 19,731,365 | 28,086,907 |
| - Others                     | 9,508,762  | 14,622,253 |
|                              | 29,240,127 | 42,709,160 |
| Other payables and accruals  |            |            |
| - Related parties            | 6,965,087  | 7,517,783  |
| - Others                     | 35,358,288 | 39,784,283 |
|                              | 42,323,375 | 47,302,066 |

Other short-term receivables from related parties includes outstanding balances in Zero-Balancing, please refer Note 9.

11. Receivables / payables

The Company has classified all the receivables as current assets in line with break-up basis adopted for preparation of financial statements. The investment receivables included in the other receivables are related to customer contracts in which the Company offers discounted arrangements related to the first filling of lubricating oil for new vessels (initial fill - IF) or the refilling of lubricating oils related to new contracts where the customer previously has had an agreement with another oil company (changeover - CO). The negative margin on these sales are moved from the income statement to the balance sheet. From thereon, the amount is amortized monthly in line with the contract period.

12. Accounting currency

The Company records its transactions in USD, but the reporting currency is NOK. All exchange rate differences are recognized in the income statement as other finance income or other finance expense. The conversion rate to NOK in the income statement is based on an average monthly rate, whereas the conversion rate in the balance sheet is the exchange rate as on 12/31/2018. The exchange rates used for conversion are from Norges Bank.



13. Taxes

|  | (in NOK)            |                    |
|--|---------------------|--------------------|
|  | 2018                | 2017               |
| <b>Basis for current year's tax payable:</b>                       |                     |                    |
| Net (loss)/profit before tax from discontinued operations          | (23,898,514)        | (9,953,191)        |
| Permanent differences  | (8,349)             | (40,073)           |
| <b>Basis for current year's tax</b>                                | <b>(23,906,863)</b> | <b>(9,993,264)</b> |
| Change in temporary differences                                    | 16,953              | 21,191             |
| Received group relief  | 24,000,000          | 9,710,904          |
| <b>Basis for tax credit/payable in the profit and loss account</b> | <b>110,090</b>      | <b>(261,169)</b>   |
| Group relief paid  | (110,090)           | -                  |
| <b>(Losses carried forward)/Refund receivable</b>                  | <b>-</b>            | <b>(261,169)</b>   |
| <b>Tax expense in current year consists of:</b>                    |                     |                    |
| Current tax on result of the period (2018: 23%; 2017: 24%)         | (5,520,000)         | (2,388,766)        |
| Change in deferred tax   | 40,575              | (9,618)            |
| <del>Change in deferred tax due to change in tax rate</del>        | <del>-</del>        | <del>1,765</del>   |
| <b>Total tax (credit)/expenses</b>                                 | <b>(5,479,425)</b>  | <b>(2,396,619)</b> |
| <b>Tax payable in the balance sheet:</b>                           |                     |                    |
| Tax payable on current year's result                               | -                   | -                  |
| Tax on group relief received                                       | -                   | -                  |
| <b>Tax payable</b>   | <b>-</b>            | <b>-</b>           |

| Specification of basis for deferred tax                    | Change          | 2018     | 2017             |
|--|-----------------|----------|------------------|
| Current assets   |                 | -        | -                |
| Profit and loss account                                    | 16,953          | 67,807   | 84,760           |
| Carry forward loss   | (193,362)       | (67,807) | (261,169)        |
| <b>Basis for deferred tax in the balance sheet</b>         | <b>176,409</b>  | <b>-</b> | <b>(176,409)</b> |
| <b>Deferred tax (asset)/liability in the balance sheet</b> | <b>(40,575)</b> | <b>-</b> | <b>(40,575)</b>  |



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## Notes to the financial statements (continued)

### 14. Equity

|   |                   |                   | (in NOK)          |
|---|-------------------|-------------------|-------------------|
|   | Share Capital     | Retained earnings | Total equity      |
| Equity as at 01.01.2018                         | 50,000,000        | (176,286)         | 49,823,714        |
| <b>Current year's change in equity</b>          |                   |                   |                   |
| Result of the year from discontinued operations | -                 | (18,419,089)      | (18,419,089)      |
| Proposed dividend                               | -                 | -                 | -                 |
| Group relief received/(paid), net               | -                 | 18,480,000        | 18,480,000        |
| <b>Equity as at 31.12.2018</b>                  | <b>50,000,000</b> | <b>(115,375)</b>  | <b>49,884,625</b> |

### 15. Share capital and shareholder information

The company's share capital is NOK 50,000,000, comprises 5,000 shares with a face value of NOK 10,000 per share. A/S Norske Shell is the sole shareholder.

### 16. Subsequent events

In Q1 2019, the Company has transferred its customer contracts and is in the process of transferring the vendors to Shell Marine Products Singapore. The Company is valued at US\$ 2,230,000 and received the consideration in full in Q2 2019. The Company is expected to be liquidated by end of 2019.