

Maersk Supply Service International A/S

Esplanaden 50, DK-1098 Copenhagen K

Company reg. no. 27 55 21 61

Annual report

1 January - 31 December 2016

The Annual Report have been submitted and approved by the General Meeting on the 30 May 2017.

Ida Marie Schydt
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance USD 146.940 means the amount of USD 146,940, and that 23,5 % means 23.5 %.

Management's Report

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Maersk Supply Service International A/S for the financial year 1 January - 31 December 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 30 May 2017

Executive Board

Kasper Mahon Andreasen

Board of Directors

Carsten Gram Haagensen
Chairman

Kasper Mahon Andreasen

Claus Bachmann

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To the shareholder of Maersk Supply Service International A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Supply Service International A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 30 May 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 77 12 31

Thomas Wraae Holm
State Authorised Public Accountant

Martin Lunden
State Authorised Public Accountant

Company data

The Company

Maersk Supply Service International A/S
Esplanaden 50
DK-1098 Copenhagen K

Company reg. no. 27 55 21 61
Financial year: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Carsten Gram Haagensen, Chairman
Kasper Mahon Andreasen
Claus Bachmann

Executive Board

Kasper Mahon Andreasen

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

The principal activities of the Company

Maersk Supply Service International A/S holds interests in companies with Maersk Supply Service activities.

Development in activities and financial matters

The profit for the year was USD 0 million (2015: USD 0 million).

Capital increase

A cash contribution of USD 42 million was made by Maersk Supply Service A/S to Maersk Supply Service International A/S in 2016.

Events subsequent to the financial year

No events have occurred after 31 December 2016 which may significantly affect the financial year 2016.

Income Statement 1 January - 31 December

USD in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Other external expenses	-7	-5
Gross results	-7	-5
1 Other financial expenses	-7	-28
Profit/loss before tax	-14	-33
2 Tax on profit/loss for the year	2	-1
Results for the year	-12	-34
Proposed distribution of the results:		
Retained earnings	-12	-34
Distribution in total	-12	-34

Balance Sheet 31 December

USD in thousands.

Assets			
<u>Note</u>		<u>2016</u>	<u>2015</u>
Fixed assets			
3	Investments in subsidiaries	<u>173.280</u>	<u>111.280</u>
	Financial fixed assets in total	<u>173.280</u>	<u>111.280</u>
	Fixed assets in total	<u>173.280</u>	<u>111.280</u>
Current assets			
	Receivables from group enterprises	7.444	27.449
	Corporation tax	<u>3</u>	<u>8</u>
	Receivables in total	<u>7.447</u>	<u>27.457</u>
	Current assets in total	<u>7.447</u>	<u>27.457</u>
	Assets in total	<u>180.727</u>	<u>138.737</u>

Balance Sheet 31 December

USD in thousands.

Equity and liabilities			
<u>Note</u>		<u>2016</u>	<u>2015</u>
Equity			
4	Share capital	84	83
	Retained earnings	180.639	138.652
	Equity in total	180.723	138.735
Liabilities			
	Trade payables	4	2
	Short-term liabilities in total	4	2
	Liabilities in total	4	2
	Equity and liabilities in total	180.727	138.737
5	Contingencies		
6	Related parties		

Statement of Changes in Equity

USD in thousands.

	<u>Share capital</u>	<u>Retained earnings</u>	<u>In total</u>
Equity 1 January 2016	83	138.652	138.735
Profit or loss for the year brought forward	0	-12	-12
Capital increase	1	41.999	42.000
	84	180.639	180.723

Notes

USD in thousands.

	<u>2016</u>	<u>2015</u>
1. Other financial expenses		
Exchange loss	7	27
Other financial expenses	<u>0</u>	<u>1</u>
	<u>7</u>	<u>28</u>
2. Tax on profit/loss for the year		
Current tax for the year	-3	1
Adjustment of tax for previous years	<u>1</u>	<u>0</u>
	<u>-2</u>	<u>1</u>

Notes

USD in thousands.

	<u>31/12 2016</u>	<u>31/12 2015</u>
3. Investments in subsidiaries		
Cost 1 January 2016	111.280	101.204
Additions during the year	<u>62.000</u>	<u>10.076</u>
Cost 31 December 2016	<u>173.280</u>	<u>111.280</u>
Book value 31 December 2016	<u>173.280</u>	<u>111.280</u>

The financial highlights for the subsidiaries according to the latest approved annual reports

USD in thousands	Share of ownership	Equity	Results for the year
Maersk Supply Service Brazil Holdings A/S, Denmark**	100 %	841	-4
Maersk Supply Service Canada Ltd., Canada*	100 %	102.794	2.130
Maersk Supply Service UK Limited, United Kingdom*	100 %	47.765	161
Maersk Supply Service France SAS, France*	100 %	171	-324
Maersk Supply Service Singapore Pte. Ltd., Singapore*	100 %	0	0
Maersk Supply Service Nigeria A/S, Denmark**	100 %	10.214	137
Maersk Supply Service Subsee UK Limited, United Kingdom	100 %	40.000	0
Maersk Supply Service Congo SA, Congo*	100 %	-2.066	-853
Maersk Crewing Australia Pty, Australia*	100 %	155	-4
Maersk Supply Service Apoio Maritimo Ltda., Brazil*	100 %	1.029	-10.537
Maersk Supply Service (Angola) S.A., Angola*	49 %	-741	-139

* Annual Report 2015 (converted from local currency to USD, share capital and equity has been calculated using the exchange rate as of 31 December 2015, and the profit is calculated using the average exchange rate for 2015)

** Annual Report 2016 (converted from local currency to USD, share capital and equity has been calculated using the exchange rate as of 31 December 2016, and the profit is calculated using the average exchange rate for 2016)

Notes

USD in thousands.

31/12 2016 31/12 2015

4. Share capital

The share capital consists of 1 share of a nominal value of DKK 500.002, equal to USD'000 84. No shares carry any special rights.

In 2016 the share capital has been increased by 1 share of a nominal value of DKK 1 at a price of DKK 291.060.000.

5. Contingencies

Joint taxation

The Company is subject to the tonnage tax scheme. The Company is not subject to deferred tax. However, tax may become payable on the sale of vessels or on withdrawal from the tonnage tax scheme.

The Company is part of a national joint taxation in Denmark with A. P. Møller Holding A/S, and is jointly liable with other Danish companies within the A. P. Møller - Maersk Group for corporate and withholding tax to Denmark.

There are no other security and contingent liabilities at 31 December 2016.

6. Related parties

Controlling interest

Maersk Supply Service A/S
Esplanaden 50
DK-1098 Copenhagen K
Denmark

Majority shareholder

Other related parties

Companies affiliated with A. P. Møller - Mærsk A/S.

The Company's related parties include the members of the Board of Directors, Management and the key executives, as well as the related family members of these persons. Related parties also include companies in which the above-mentioned persons have a significant interest.

Transactions

No significant transactions with related parties have taken place during 2016.

Notes

USD in thousands.

Consolidated Annual Accounts

The Company is included in the Consolidated Annual Accounts of A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen K and A.P. Møller Holding A/S, Esplanaden 50, 1098 Copenhagen K.

Accounting Policies used

The Annual Report for Maersk Supply Service International A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The Accounting Policies used are unchanged compared to last year, and the annual accounts are presented in American dollars (USD).

No Consolidated Annual Accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The Annual Accounts of Maersk Supply Service International A/S and its group enterprises are included in the Consolidated Annual Accounts for A. P. Møller - Mærsk A/S, Denmark, CVR nr. 22756214.

Recognition and measurement in general

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

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation of foreign currency

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Accounting Policies used

Income Statement

Other external expenses

Other external expenses comprise cost for administration etc.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

The Balance Sheet

Financial fixed assets

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Liabilities

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