

Svitzer Caribbean A/S

c/o Svitzer A/S, Pakhus 48, Sundkaj 9, DK-2150 Nordhavn

Annual Report for 1 January - 31 December 2017

CVR No 27 73 33 95

The Annual Report was
presented and adopted
at the Annual General
Meeting of the Company
on 12/2018

29/5

Jacob Ulrik
Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Svitzer Caribbean A/S for the financial year 1 January - 31 December 2017.

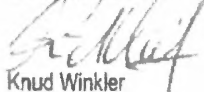
The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

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

Copenhagen 29 May 2018

Executive/Board



Knud Winkler

Board of Directors



Marc Niederer
Chairman



Knud Winkler



Felipe Duarte



Jacob Uink

Independent Auditor's Report

To the Shareholders of Svitzer Caribbean 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 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Svitzer Caribbean A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, notes and 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.

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.
- 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.

Copenhagen, 29 May 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 12 31



Søren Ørjan Jansen
State Authorised Public Accountant
mne33226



Claus Carlsson
State Authorised Public Accountant
mne29461

Company Information

The Company

Svitzer Caribbean A/S
c/o Svitzer A/S
Pakhus 48, Sundkaj 9
DK-2150 Nordhavn

Telephone: 39 19 39 19

CVR No: 27 73 33 95

Financial period: 1 January - 31 December

Municipality of reg. office: København

Main activity

The purpose of the company is to operate in the diving-, towing-pump-out-, and similar activities with the company's own or chartered vessels.

Board of Directors

Marc Niederer, Chairman
Knud Winkler
Felipe Duarte
Jacob Ulrik

Executive Board

Knud Winkler

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Main activity

The purpose of the company is to operate in the diving-, towing-, pump-out-, and similar activities with the company's own or chartered vessels.

Development in the year

The income statement of the Company for 2017 shows a profit of USD 421k, and at 31 December 2017 the balance sheet of the Company shows equity of USD 85.772k.

Income Statement

	Note	2017 USD	2016 USD
Gross profit/loss		652,733	1,314,772
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		(109,212)	(283,600)
Other operating expenses		292	(333,033)
Profit/loss before financial income and expenses		543,813	698,138
Adjustment of other securities and investments		-	(5,091)
Financial income	1	2,163	460,747
Financial expenses		(1,419)	(26,192)
Profit/loss before tax		544,557	1,147,603
Tax on profit/loss for the year	2	(123,093)	(284,924)
Net profit/loss for the year		421,464	862,679
Distribution of profit			
Proposed dividend for the year		-	-
Retained earnings		421,464	862,679
		<u>421,464</u>	<u>862,679</u>

Assets

	Note	2017 USD	2016 USD
Ships		1,511,285	1,620,497
Property, plant and equipment	4	1,511,285	1,620,497
Investments in subsidiaries	3	84,294,410	84,294,410
Other investments		1,013	1,013
Fixed asset investment		84,295,423	84,295,423
Fixed assets		85,806,708	85,915,921
Trade receivables		-	62,702
Receivables from group enterprises		3,735,674	3,305,755
Other receivables		50,744	4,726
Receivables		3,786,418	3,373,183
Cash at bank and in hand		79,290	653,336
Current assets		3,865,708	4,026,519
Assets		89,672,416	89,942,440

Liabilities and equity

	Note	2017 USD	2016 USD
Share capital		81,304	81,304
Retained earnings		85,690,387	85,268,923
Equity	5	85,771,691	85,350,227
Provision for deferred tax		166,593	27,205
Provisions		166,593	27,205
Trade payables		35,476	555,857
Payables to group enterprises		3,677,244	3,729,925
Corporation tax		21,411	279,226
Short-term debt		3,734,131	4,565,008
Debt		3,734,131	4,565,008
Liabilities and equity		89,672,416	89,942,440
Contingent assets, liabilities and other financial obligations	6		
Related parties and ownership	7		

Notes to the Financial Statements

1 Financial Income

Interest received from group enterprises	660	-
Exchange gains	-	480,747
Other financial income	1,503	-
	<u>2,163</u>	<u>480,747</u>

2 Tax on profit/loss for the year

Current tax for the year	21,412	325,062
Current tax related to prior years	(160,124)	31,376
Deferred tax for the year	(24,027)	(183,762)
Deferred tax related to prior years	163,415	-
Foreign withholding taxes	122,417	112,248
	<u>123,093</u>	<u>284,924</u>

3 Investments in subsidiaries

Cost at 1 January	84,294,410	1,954,875
Additions for the year	-	82,339,535
Cost at 31 December	<u>84,294,410</u>	<u>84,294,410</u>
Value adjustments 1 January	-	(220,968)
Exchange Adjustment	-	220,968
Value adjustments at 31 December	-	-
Carrying amount at 31 December	<u>84,294,410</u>	<u>84,294,410</u>

Notes to the Financial Statements

3 Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Place of registered office</u>	<u>Share capital</u>	<u>Votes and ownership</u>	<u>Equity</u>	<u>Net Profit/Loss for the year</u>
Switzer Mexico S.A. de C.V.	Mexico	65,130	98%	N/A	N/A
Wismuller Salvage & Towage Argentina S.A.	Argentina	1,000	100%	N/A	N/A
Switzer Latin Americas B.V.	The Netherlands	10,000	100%	N/A	N/A

Only subsidiaries of direct ownership have been disclosed. All subsidiaries are consolidated in the A.P. Moller-Maersk Group's annual report for 2017.

Profit/Loss for the period and equity are disclosed as per latest official financial statements in accordance with the requirements in the Danish Financial Statements Act. Not Available (N/A) indicated that no official statements are required to be prepared.

4 Property, plant and equipment

	<u>Ships</u>	<u>Total</u>
Cost at 1 January	3,098,380	3,098,380
Additions for the year	-	-
Disposals for the year	-	-
Cost at 31 December	<u>3,098,380</u>	<u>3,098,380</u>
Impairment losses and depreciation at January	1,477,883	1,477,883
Depreciation for the year	109,212	109,212
Disposals for the year	-	-
Impairment losses and depreciation at 31 December	<u>1,587,095</u>	<u>1,587,095</u>
Carrying amount at 31 December	<u>1,511,285</u>	<u>1,511,285</u>

Notes to the Financial Statements

5 Equity

	Share Capital	Retained Earnings	Total
Equity at 1 January	81,304	85,268,923	85,350,227
Capital injection	-	-	-
Net profit/loss for the year	-	421,464	421,464
Equity at 31 December	81,304	85,690,387	85,771,691

Notes to the Financial Statements

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

Operating leases

As part of the company's operations, agreements on standard operating leases are entered into. The company has as at 31 December 2017 leased 1 ship. Total obligation lease regarding this ship amounts to USD 547k (2016: USD 2.073k).

Taxes

The Danish group enterprises are jointly and severally liable for tax on the jointly taxed income of the Group and for the Danish taxes at source such as dividend tax, tax on royalty payments and withholding tax.

7 Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Svitzer Europe Holding B.V., The Netherlands

Consolidated Financial Statements

The Company's ultimate parent, which prepares consolidated financial statements (the largest group) into which the Company is incorporated as a subsidiary, is A.P. Møller Holding A/S.

Accounting policies

Basis of Preparation

Financial Statements of Svitzer Caribbean A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with options from higher reporting classes.

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared

The accounting policies applied remain unchanged from last year.

Financial Statements for 2017 are presented in USD.

Recognition and measurement

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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 transaction date rates 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

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Other external expenses

Other external expenses comprise costs of distribution, sales, marketing, administration, premises, bad debt, operating leases etc.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments and adjustments of investments.

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.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Ships	25	years
Other fixtures and fittings, tools and equipment (Dry Docking)	5	years

Accounting policies

Investments in subsidiaries and associates

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

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Other investments

Other investments, which consist of non-listed shares, are measured at their fair values at the balance sheet date.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.