

**Maersk Supply Service  
Integrated Solutions A/S**  
Esplanaden 50  
1263 Copenhagen K  
Central Business Registration No  
38417622

**Annual report 2017**

The Annual General Meeting adopted the annual report on 25.05.2018

**Chairman of the General Meeting**

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Name: Ida Marie Schydt

## **Contents**

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017	8
Balance sheet at 31.12.2017	9
Statement of changes in equity for 2017	11
Notes	12
Accounting policies	14

## Entity details

### Entity

Maersk Supply Service Integrated Solutions A/S  
Esplanaden 50  
1263 Copenhagen K

Central Business Registration No: 38417622

Founded: 10.02.2017

Registered in: Copenhagen

Financial year: 10.02.2017 - 31.12.2017

### Board of Directors

Claus Bachmann, Chairman  
Olivier Jacques Albert Trouvé  
Michael Krabbe

### Executive Board

Olivier Jacques Albert Trouvé

### Entity auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Maersk Supply Service Integrated Solutions A/S for the financial year 10.02.2017 - 31.12.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 10.02.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 25.05.2018

### Executive Board

Olivier Jacques Albert Trouvé

### Board of Directors

Claus Bachmann  
Chairman

Olivier Jacques Albert Trouvé

Michael Krabbe

## Independent auditor's report

### To the shareholders of Maersk Supply Service Integrated Solutions 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 Maersk Supply Service Integrated Solutions A/S for the financial year 1 January - 31 December 2017, 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.

#### 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

## Independent auditor's report

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.

## Independent auditor's report

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, 25.05.2018

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden

State Authorised Public Accountant

mne32209

## Management commentary

	<b>2017</b>
	<b>USD'000</b>
<b>Financial highlights</b>	
<b>Key figures</b>	
Revenue	15,942
Gross profit/loss	(1,399)
Operating profit/loss	(1,399)
Net financials	239
Profit/loss for the year	(1,023)
Total assets	15,169
Equity	(951)
<b>Ratios</b>	
Gross margin (%)	(8.8)
Net margin (%)	(6.4)
Equity ratio (%)	(6.3)

<b>Ratios</b>	<b>Calculation formula</b>	<b>Ratios</b>
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.



## Management commentary

### Primary activities

Maersk Supply Service Integrated Solutions A/S is a 100% owned subsidiary of Maersk Supply Service A/S, providing global services to the offshore industry including anchor handling and towage of drilling rigs and platforms.

### Development in activities and finances

The Income Statement of the Company for 2017 shows a loss of USD -1 million and at 31 December 2017 the balance sheet of the Company shows an equity of USD -1 million.

This is the Company's first financial year.

### Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

### Unusual circumstances affecting recognition and measurement

The financial position at 31 December 2017 of the Company and the results of the activities of the Company for the financial year for 2017 have not been affected by any unusual events.

### Outlook

We expect a better result in 2018 compared to 2017.

### Particular risks

There is no significant dependency on particular customers or suppliers. The Company has no significant credit risks.

#### Foreign exchange risks:

The Company's income is mainly in GBP, whereas expenditure is spread across several currencies. Based on specific assessment, the Company uses financial instruments to reduce the impact of exchange rate fluctuations.

### Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement for 2017

	<u>Notes</u>	<u>2017</u> <u>USD'000</u>
Revenue		15,942
Other external expenses		<u>(17,341)</u>
<b>Operating profit/loss</b>		<b>(1,399)</b>
Other financial income	2	240
Other financial expenses	3	<u>(1)</u>
<b>Profit/loss before tax</b>		<b>(1,160)</b>
Tax on profit/loss for the year	4	<u>137</u>
<b>Profit/loss for the year</b>	5	<b><u>(1,023)</u></b>

**Balance sheet at 31.12.2017**

	<u>Notes</u>	<u>2017 USD'000</u>
Trade receivables		728
Receivables from group enterprises		13,992
Other receivables		312
Income tax receivable		<u>137</u>
<b>Receivables</b>		<b><u>15,169</u></b>
<b>Current assets</b>		<b><u>15,169</u></b>
<b>Assets</b>		<b><u>15,169</u></b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 USD'000</u>
Share capital		72
Retained earnings		<u>(1,023)</u>
<b>Equity</b>		<b><u>(951)</u></b>
Trade payables		3,456
Payables to group enterprises		12,428
Other payables		<u>236</u>
<b>Current liabilities other than provisions</b>		<b><u>16,120</u></b>
<b>Liabilities other than provisions</b>		<b><u>16,120</u></b>
<b>Equity and liabilities</b>		<b><u>15,169</u></b>
Going concern	1	
Contingent liabilities	6	
Related parties with controlling interest	7	
Transactions with related parties	8	
Group relations	9	

## Statement of changes in equity for 2017

	<b>Share capital USD'000</b>	<b>Retained earnings USD'000</b>	<b>Total USD'000</b>
Contributed upon formation	72	0	72
Profit/loss for the year	0	(1,023)	(1,023)
<b>Equity end of year</b>	<b>72</b>	<b>(1,023)</b>	<b>(951)</b>

## Notes

### 1. Going concern

In connection with the board of directors and the management's assessment of the assumption of going concern which forms the basis of the preparation of the Financial Statements of Maersk Supply Service Integrated Solutions A/S for 2017 we, Maersk Supply Service A/S, being the parent company, hereby inform that we in line with prior practice have the intention to support Maersk Supply Service Integrated Solutions A/S to the extent necessary to finance the Company's operating activities and to settle its financial obligations as they fall due until the date of publishing of the financial statements for 2018.

Based on this, the financial statements of Maersk Supply Service Integrated Solutions A/S are based on the assumption of going concern.

	<b>2017</b>
	<b>USD'000</b>
<b>2. Other financial income</b>	
Interest income	5
Exchange rate adjustments	<u>235</u>
	<b><u>240</u></b>
<b>3. Other financial expenses</b>	
Interest expenses	<u>1</u>
	<b><u>1</u></b>
<b>4. Tax on profit/loss for the year</b>	
Tax on current year taxable income	<u>(137)</u>
	<b><u>(137)</u></b>
<b>5. Proposed distribution of profit/loss</b>	
Retained earnings	<u>(1,023)</u>
	<b><u>(1,023)</u></b>
<b>6. Contingent liabilities</b>	

The Entity participates in a Danish joint taxation arrangement in which A.P. Møller Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities. The total known net liability of the

## Notes

jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

There are no other contingent liabilities at 31 December 2017.

### **7. Related parties with controlling interest**

Related parties with controlling interest:

Majority shareholder: Maersk Supply Service A/S, Esplanaden 50, 1263 Copenhagen K, Denmark.

Other related parties:

Companies affiliated with A.P. Møller – Mærsk A/S and A.P. Møller Holding 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.

### **8. Transactions with related parties**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

### **9. Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: A.P. Møller – Mærsk A/S, Esplanaden 50, 1263 Copenhagen K, Denmark.

The Company is also included in the consolidated financial statements for A.P. Møller Holding A/S, Esplanaden 50, 1263 Copenhagen K, Denmark.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium sized).

This is the Company's first financial year and thus no comparable figures are available. The Annual Accounts are presented in American dollars (USD). The exchange rate of USD to DKK was 6.602 at 31 December 2017.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Services are recognised at the rate of completion of the service to which the contract related by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic



## Accounting policies

benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries 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.

## Balance sheet

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### Other financial liabilities

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

## Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of A.P. Møller – Mærsk A/S.