

ANNUAL REPORT 2019



CVR 43266012

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 26/5 2020

Morten Henrik Engelstoft
Chairman

SVITZER

Svitzer A/S
Pakhus 48, Sundkaj 153
2150 Nordhavn
Denmark



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MONROVIA
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ROAD HARBOUR

SVITZER



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DIRECTORS' REPORT

Svitzer Group is the leading towage operator with activities within both Harbour and Terminal towage and with a fleet of 345 vessels (2018: 365) in more than 100 ports across 32 countries. Svitzer's customers are ship owners and operators within all shipping segments as well as national and international Oil & Gas companies.

Svitzer A/S is the parent company in the Svitzer Group and its activities mainly relate to Svitzer's global head office which supports Svitzer's regions and subsidiaries.

2019 IN REVIEW

The loss in 2019 was largely due to the net cost of financial items, reflecting the capital structure of the entity and the holding company and head office nature of its activities.

Sustainability

The lost time incidents frequency ('LTIF') for 2019 was 1.1 per one million exposure hours which is an increase compared to 0.8 for 2018. There is a recognition in Svitzer that the effect of the actions taken in prior years to improve safety have produced significant benefits, however the improvement has now plateaued in recent years. In order to revitalise the safety culture a new initiative has been launched called Safety Differently, which is expected to realise benefits in future years.

Corporate social responsibility

Please refer to the separate Sustainability Report 2019 of the parent company A.P. Møller – Mærsk A/S on the website: www.maersk.com/business/sustainability.

Environment

In 2019 the primary measure for CO₂ emissions (fuel consumption) were down to index 98.6 (2018: 100) despite a slight increase in activity (Index 2019:102.9 compared to 2018:100). Environmental efficiency is one of the core operational elements and is measured on an annual basis.

Expectations for 2020

The Company's outlook for the future will be affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also subsequent events disclosures in note 12.

Management is currently not able to reliably estimate the effect of COVID-19 on the expected revenue and net profit of the Company. Consequently, Management finds itself unable to reliably disclose its outlook for the future in accordance with section 12 of the Danish Financial Statements Act.

Under normal conditions, Svitzer A/S being an administrative head office will mainly be affected by fluctuations in foreign exchange rates and changes in group companies' environments.

Risks

Under normal conditions, the main risks for Svitzer A/S are fluctuations in foreign exchange rates, interest rates and the operational performance of investments in subsidiaries and affiliates. Svitzer A/S has investments in subsidiaries and are therefore indirectly subject to the risks related to the overall development in the world economy, number of ship calls, number of tug operators in particular ports, development in fuel prices and fluctuations in foreign exchange rates which will have an impact on subsidiaries' activities and results.

FIVE YEAR SUMMARY

Amounts in DKK thousands

	2019	2018	2017	2016	2015
Revenue	150,582	138,802	95,887	88,739	97,845
Profit/loss before financial items (EBIT)	-17,195	-16,277	-29,512	-55,113	-41,757
Financial income and financial expenses	-156,511	-151,745	-106,204	-145,505	-146,971
Profit/loss before tax	-181,736	175,854	-199,303	-180,661	41,404
Tax	21,446	37,592	-3	42,103	-30,741
Profit/loss for the year	-160,290	213,446	-199,306	-138,558	72,145
Total assets	8,000,197	7,922,250	6,696,021	6,346,453	5,870,306
Total equity	1,152,747	1,313,037	884,388	1,083,694	1,222,252
Profit (EBIT) margin	-11.4%	-11.7%	-30.8%	-62.1%	-42.7%
Return on equity after tax	-13.0%	19.4%	-20.3%	-12.0%	6.2%
Equity ratio	14.4%	16.6%	13.2%	17.1%	20.8%

Definitions of key figures are included under Accounting Policies.

The financial statements of Svitzer A/S for 2019 have been prepared in accordance with the Danish Financial Statements Act.



STATEMENT OF THE BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and the Management have today considered and adopted the Annual Report of Svitzer A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the Annual Report gives a true and fair view of the Company's assets and liabilities, financial position at 31 December 2019 and of the results of the Company's operations for 2019.

In our opinion, the Director's report includes a fair review of the Company's operations and financial conditions, the results for the year and financial position as well as a description of the most significant risks and uncertainty factors that the Company faces.

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

Copenhagen, 26 May 2020

Executive Management:

Henriette H.
Thygesen
Chief Executive Officer

Knud
Winkler
Chief Financial Officer

Board of Directors:

Morten
Engelstoft
Chairman

Morten Bo
Christiansen

Anne
Pindborg



INDEPENDENT AUDITOR'S REPORT

To the shareholders of Svitzer 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 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Svitzer A/S for the financial year 1 January - 31 December 2019, 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 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, 26 May 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Søren Ørjan Jensen
State Authorised Public
Accountant
Mne33226

Claus Carlsson
State Authorised Public
Accountant
Mne29461

INCOME STATEMENT

Amounts in DKK thousand

Note	2019	2018
Revenue	150,582	138,802
Other income	5,302	219
2 Staff costs	68,001	60,235
Other external expenses	105,069	95,038
Profit/loss before depreciation, amortisation and impairment losses, etc.	-17,186	-16,252
5 Depreciation, amortisation and impairment losses	9	25
Profit/loss before financial items	-17,195	-16,277
Share of profit/loss in subsidiaries	2,958	554,715
Impairment of financial assets	10,988	210,839
3 Financial income	42,044	26,951
3 Financial expenses	198,555	178,696
Profit/loss before tax	-181,736	175,854
4 Tax	21,446	37,592
Profit/loss for the year	-160,290	213,446

Profit/loss is transferred to retained earnings under equity

BALANCE SHEET AT 31 DECEMBER

Assets at 31 December

Amounts in DKK thousand

Note	2019	2018
Property, plant and equipment		
	-	9
5	-	9
Intangible Fixes Assets		
	10,573	-
5	10,573	-
Financial non-current assets		
	7,666,457	7,649,369
	-	258
6	7,666,457	7,649,627
7	-	-
	7,677,030	7,649,636
Receivables		
	5	94
	-	12,671
	284,275	216,556
	1,032	-
	33,440	21,887
	4,415	2,112
	323,167	253,320
	-	19,294
	323,167	272,614
	8,000,197	7,922,250

BALANCE SHEET AT 31 DECEMBER

Liabilities at 31 December

Amounts in DKK thousand

Note		2019	2018
	Equity		
8	Share capital	420,953	420,953
	Retained earnings	731,794	892,084
	Total equity	1,152,747	1,313,037
	Non-current liabilities		
	Payables to group enterprises	6,335,854	6,343,460
	Total non-current liabilities	6,335,854	6,343,460
	Current liabilities		
	Payables to subsidiaries	481,416	206,971
	Payables to group enterprises	11,151	34,087
	Trade payables	3,184	853
9	Other payables	15,845	23,842
	Total current liabilities	511,596	265,753
	Total liabilities	6,847,450	6,609,213
	Total equity and liabilities	8,000,197	7,922,250

- 10 Commitments and contingent liabilities
- 11 Related parties
- 12 Subsequent events

STATEMENT OF CHANGES IN EQUITY

Amounts in DKK thousand

	Share capital	Retained earnings	Total equity
Equity 1 January 2019	420,953	892,084	1,313,037
Group contribution	-	-	-
Profit/loss for the year	-	-160,290	-160,290
Equity 31 December 2019	420,953	731,794	1,152,747

Amounts in DKK thousand

	Share capital	Retained earnings	Total equity
Equity 1 January 2018	420,953	463,435	884,388
Group contribution	-	215,203	215,203
Profit/loss for the year	-	213,446	213,446
Equity 31 December 2018	420,953	892,084	1,313,037

Share capital

The Company's share capital amounts to DKK 420,953 thousand with shares of DKK 250 or multiples hereof.

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1 Accounting policies

Basis of preparation

The financial statements for Svitzer A/S ('the Company') for 2019 have been prepared in accordance with the Danish Financial Statements Act for medium sized enterprises of reporting class C.

In accordance with the Danish Financial Statements Act section 112, the Company does not prepare consolidated financial statements as the Company and its subsidiaries are part of the consolidated financial statements prepared for A.P. Møller – Mærsk, incorporated in Denmark under registration no. 22756214.

Also, in accordance with section 86, par. 4 of the Danish Financial Statements Act, the Company does not prepare a cash flow statement, as the Company and its subsidiaries are included in the consolidated cash flow statements of A.P. Møller - Mærsk Group.

There has not been made any changes to the accounting policies applied.

The financial statements for 2019 are presented in Danish Kroner.

Recognition and measurement

Revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised.

All expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised 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 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 any 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

Danish Kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

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. 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 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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as derivatives.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Incentive schemes

The value of share option plans offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the plans are disclosed in the notes.

Revenue

Revenue from the sale of goods is recognised in the income statement when transfer of risk to the buyer has been made before year end.

Revenue comprise of management fee and is recognised if delivery and transfer of risk took place before end of year.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

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 and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas tax attributable to equity transactions is recognised directly in equity. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the Danish entities within the A.P. Møller - Maersk Group as well as A. P. Møller Holding A/S. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

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:

Other fixtures and fittings, tools and equipment	3-7 years
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Impairment of intangible assets and property, plant and equipment

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost or a lower value in use. Dividends from subsidiaries are recognised as income at the time of declaration. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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 become current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

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. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Fixed interest loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost and 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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Key figures

Profit (EBIT) margin:	$\frac{\text{Profit before financial items}}{\text{Revenue}}$
Return on equity after tax:	$\frac{\text{Profit/loss for the year}}{\text{Average equity}}$
Equity ratio:	$\frac{\text{Equity}}{\text{Total assets}}$

2 Staff costs

Amounts in DKK thousand

	2019	2018
Remuneration of employees		
Wages and salaries	63,911	56,641
Pension costs, defined contribution plans	3,813	3,334
Other social security costs	277	260
Total remuneration	68,001	60,235
Average number of employees	54	50

Share-based payment/Equity settled incentive plans

Restricted shares plan

The restricted shares plan was introduced in 2013 and grants have been awarded to employees on a yearly basis since 2013.

The transfer of restricted shares is contingent upon the employee still being employed and not being under notice of termination and takes place when three years have passed from the time of granting.

Employees are not entitled to any dividends during the vesting period. Special conditions apply regarding illness, death and resignation as well as changes in the company's capital structure, etc. A part of A.P. Møller - Mærsk A/S' holding of own B shares will be used to meet the company's obligations in connection with the restricted shares plan.

The fair value of restricted shares (A.P. Møller - Mærsk A/S B shares) granted to three (three) employees DKK 1.7m (DKK 1.1m) at the time of grant. The total value of granted restricted shares recognised in the income statement is DKK 1.1m (DKK 0.8m).

The fair value per restricted share at the time of grant is DKK 8,668 (DKK 9,273), which is equal to the volume weighted average share price on the date of grant, i.e. 1 April 2019.

On 1 April 2019, the restricted shares originally granted in 2016 were settled with the employees. The weighted average share price at that date was DKK 8,668. The average remaining contractual life for the restricted shares as per 31 December 2019 is 1.7 years (1.4 years).

2 Staff costs (continued)

Share option plans

In addition to the plan described above, there is a share option plan for employees. Each share option granted is a call option to buy an existing B share of nominal DKK 1,000 in A.P. Moller - Marsk A/S.

The share options are granted at an exercise price corresponding to 110% of the average of the market price on the first five trading days following the release of A.P. Moller - Marsk A/S' Annual Report. Exercise of the share options is contingent upon the option holder still being employed at the time of exercise. The share options can be exercised when at least three years and no more than seven years have passed from the time of grant. Special conditions apply regarding illness, death and resignation as well as changes in the company's capital structure, etc.

The share options can only be settled in shares. A part of A.P. Moller - Marsk A/S' holding of own B shares will be used to meet the company's obligations in respect of the share option plans.

The fair value of awards granted to three employees was DKK 1.3m (DKK 1.2m) at the time of grant. The total value of granted share options recognised in the income statement is DKK 1.1m (DKK 1.2m).

No share options were exercised during 2018 and 2019. The average remaining contractual life as per 31 December 2019 is 5.2 years (5.5 years) and the exercise price for outstanding share options is DKK 9,057 (DKK 10,006).

The fair value per option granted to members of the Executive Board is calculated at DKK 1,782 (DKK 1,712) at the time of grant, based on Black & Scholes' option pricing model. The fair value per option granted to employees is calculated at DKK 1,914 (DKK 1,875) at the time of grant based on the same option pricing model.

Management remuneration 2019

The table below shows the 2019 financial impact of remuneration awarded to the members of Board of Directors and Executive Board in aggregate.

Further information regarding the share-based payments is detailed in note 11 of the A.P. Møller - Mærsk A/S consolidated financial statements, and the detailed Remuneration Report of 2019 is available on the company's website on: <https://investor.maersk.com/remuneration>

Remuneration awarded

Amounts in DKK thousand

Executive Board

	2019
Fixed base Salary	6,137
Short-term cash incentive	2,575
Long-term share-based incentives	2,309
Total	11,021

With reference to section 98b paragraph 3 in the Danish Financial Statements Act, total remuneration for management personnel is not disclosed. Comparative values from prior years are not provided as prior to 2019 only a single board member was receiving remuneration awards.

3 Financial income and expenses

Amounts in DKK thousand

	2019	2018
Intercompany part of financial income	42,044	15,414
Intercompany part of financial expenses	-175,673	-170,128

4 Tax

Amounts in DKK thousand

	2019	2018
Tax recognised in the income statement	21,446	37,592
Total	21,446	37,592
Of which:		
Current tax	25,454	12,671
Deferred tax	-	-5
Tax adjustment previous years	-4,008	23,740
Reversal of tax provision	-	1,186

5 Intangible Fixed Assets and Property, plant and equipment

Amounts in DKK thousand

	Machinery, plant and equipment etc.	In progress development costs
Cost		
1 January 2018	98,538	-
Addition		-
Disposal	-	-
Transfer	-	-
31 December 2018	98,538	-
Addition	-	10,573
Disposal	-	-
Transfer	-	-
31 December 2019	98,538	10,573
Depreciation and impairment losses		
1 January 2018	98,493	-
Depreciation	36	-
Disposal	-	-
31 December 2018	98,529	-
Depreciation	9	-
Disposal	-	-
31 December 2019	98,538	-
Carrying amount:		
31 December 2018	9	-
31 December 2019	-	10,573

6 Investments in subsidiaries and other equity investments

Amounts in DKK thousand

	Investment in subsidiaries	Other equity investments	Total
Cost			
1 January 2018	7,950,328	151	7,950,479
Addition	1,439,668	-	1,439,668
Disposal	-	-	-
Exchange rate adjustment	-	-	-
31 December 2018	9,389,996	151	9,390,147
Addition	17,110	-	17,110
Disposal	-	151	151
31 December 2019	9,407,106	-	9,407,106
Value adjustment			
1 January 2018	-	107	107
Fair value adjustment	-	-	-
31 December 2018	-	107	107
Fair value adjustment	-	-107	-107
31 December 2019	-	-	-
Impairment			
1 January 2018	1,575,984	-	1,575,984
Impairment	164,643	-	164,643
Reversal of impairment losses	-	-	-
31 December 2018	1,740,627	-	1,740,627
Impairment	23	-	23
Reversal of impairment losses	-	-	-
31 December 2019	1,740,650	-	1,740,650
Carrying amount:			
31 December 2018	7,649,369	258	7,649,627
31 December 2019	7,666,457	-	7,666,457

Impairment losses of DKK 23 thousand in 2019 related to the investments in Svitzer Salvage Holding A/S.

In 2018, impairment of DKK 164.643 million relates to the equity investment in Svitzer Europe Holding B.V. and Svitzer Salvage Holding A/S.

6 Investments in subsidiaries and other equity investments (continued)

Directly owned subsidiaries

	Country of incorporation	Ownership	Profit/loss for the period DKK '000	Equity DKK '000
SVITZER Africa (Pty) Ltd.	South Africa	100%	-80	209
SVITZER Angola Lda	Angola	60%*	40,804	29,134
SVITZER Americas Ltd.	British Virgin Islands	100%	N/A	N/A
SVITZER Asia Pte. Ltd.	Singapore	100%	27,770	506,678
SVITZER Australasia Holdings Pty. Ltd.	Australia	100%	N/A	N/A
SVITZER Caribbean Ltd.	USA	100%	N/A	N/A
SVITZER Europe Holding B.V.	The Netherlands	100%	N/A	N/A
SVITZER Middle East Ltd.	British Virgin Islands	100%	N/A	N/A
SVITZER Salvage Holding A/S	Denmark	100%	-75,198	7
SVITZER Scandinavia Holding A/S	Denmark	100%	72,870	462,651
SVITZER Towage A/S	Denmark	100%	-52,553	1,836,757
SVITZER Tugs A/S	Denmark	100%	354	2,664

* Including 50% ownership through Svitzer Africa Pty. Ltd.

Only subsidiaries of direct ownership have been disclosed. All subsidiaries are consolidated in the A.P. Moller-Maersk Group's annual report for 2019.

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') indicates that no official financial statements are required to be prepared.

7 Deferred tax

Amounts in DKK thousand

Recognised deferred tax assets and liabilities are attributable to the following:

	2019	2018
Property, plant and equipment	-	-
Tax loss carry forwards	-	-
Small acquisitions	-	-
Other	-	-
Total	-	-
Offsets	-	-
Total	-	-

8 Share capital

Shareholders who own more than 5% pursuant to section 104 in the Danish Financial Statements Act.
- A.P. Møller – Maersk A/S, Copenhagen (100%)

Svitzer A/S is included in the 2019 consolidated financial statements of A.P. Møller – Maersk A/S and A-P-Møller Holding A/S who hold a controlling interest.

9 Other payables

Amounts in DKK thousand

	2019	2018
Accrued staff costs	12,226	14,868
Other payables, external	3,619	8,974
Total	15,845	23,842
Of which:		
Classified as non-current	-	-
Classified as current	15,845	23,842

10 Commitments and contingent liabilities, etc.

Commitments

Amounts in DKK thousand

	2019	2018
Within one year	625	625
Between one and two years	-	-
Between two and three years	-	-
Between three and four years	-	-
Between four and five years	-	-
After five years	-	-
Total	625	625

Contingent liabilities

Other financial obligations

Guarantees amount to DKK 625 thousand (DKK 625 thousand).

Pledged assets

Payment guarantees have been issued to Copenhagen Harbour of DKK 0.6 million

11 Related parties

A.P. Møller - Mærsk A/S, Copenhagen has the controlling influence through 100 % ownership. All companies in the A.P. Møller - Mærsk Group, Copenhagen as well as A.P. Møller Holding A/S, Copenhagen are considered as related parties.

Besides standard remuneration, Svitzer A/S has no further transactions with key management of A.P. Møller - Mærsk A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til Almene Formaal, Copenhagen or companies under their significant influence.

12 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

At this time, it is not possible to calculate the size of the negative COVID-19 impact.

COMPANY DETAILS

The Company:	SVITZER A/S Pakhus 48, Sundkaj 153 2150 Nordhavn Denmark
Registration no.:	43 26 60 12
Founded:	3 March 1833
Registered office:	Copenhagen
Financial year:	1 January – 31 December
Telephone:	+45 39 19 39 19
Telefax:	+45 39 19 39 09
Website:	www.svitzer.com
E-mail:	info@svitzer.com
Board of Directors:	Morten Engelstoft, Chairman Morten Bo Christiansen Anne Pindborg
Management:	Henriette H. Thygesen Knud Winkler
Auditor:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup Denmark

